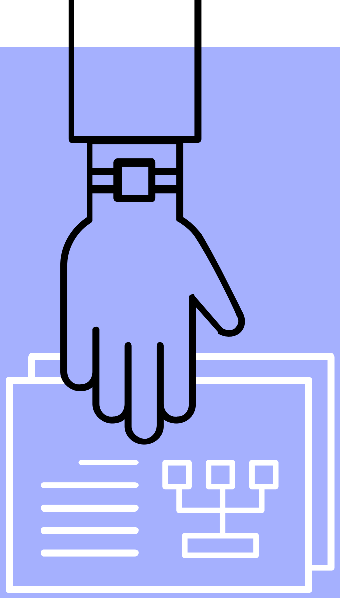

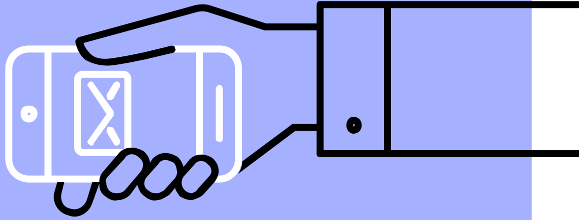

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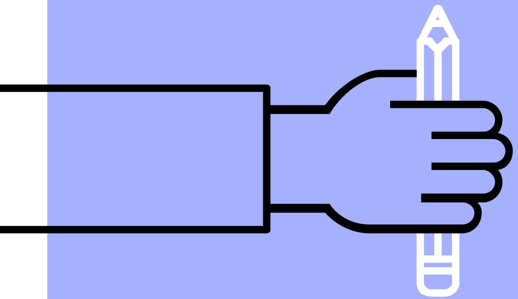
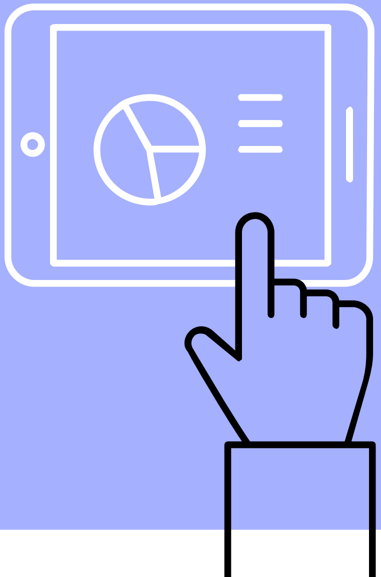




EDITOR'S NOTE

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 33rd 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

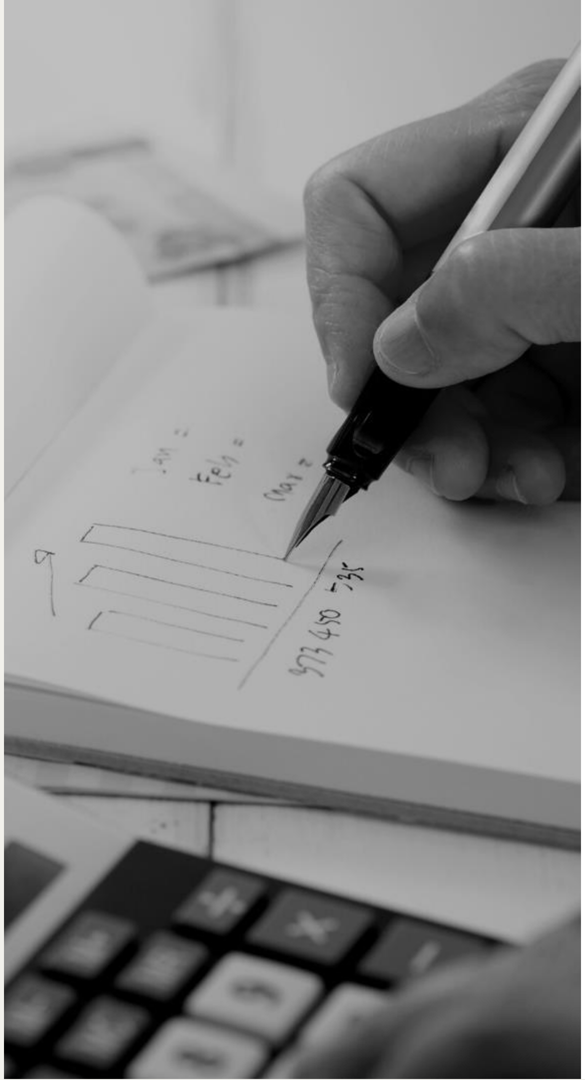
A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original articles have been extracted.

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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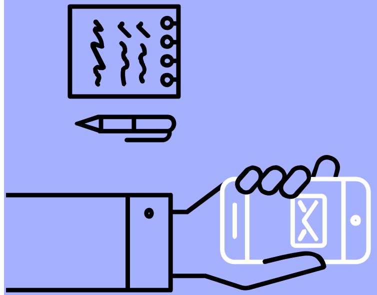
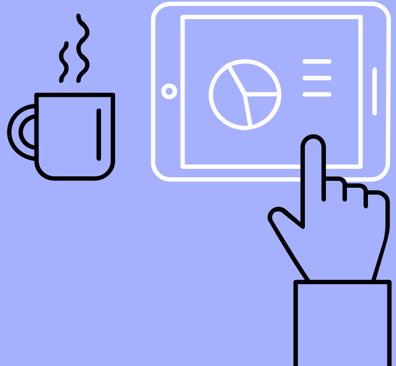
UBL and OPay recently joined hands with the objective to expand digital acceptance and financial inclusion in Pakistan.

NEWS ROUNDUP

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





Inclusive Finance Can Help the World Achieve COP26 Goals – Here's How

By Silvia Baur-Yazbeck, Nicole Pasricha

The UK Presidency at this year's UN Climate Change Conference (COP26), headed by Alok Sharma, has outlined its five priority action areas for this year's conference, with the objective of spurring new alliances and faster progress on global climate goals. As world leaders gather to discuss implementation strategies, it is important for the international development community to focus on how the proposed actions will impact the lives and livelihoods of low-income populations, especially in lower and middle-income countries.

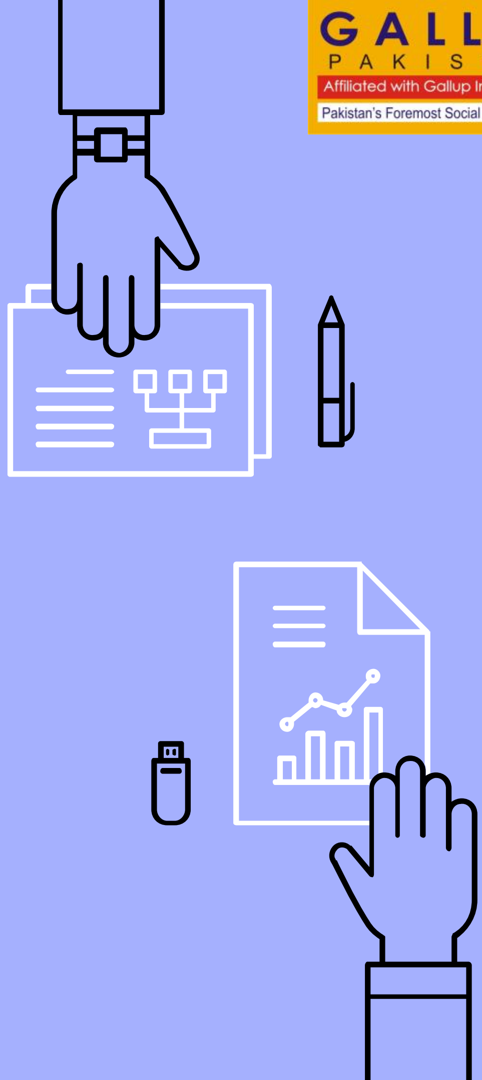
Amidst all the talk of national climate plans, net zero timelines, losses and damage, and the Paris rulebook, we should not forget about the need to scale-up practical tools that enable low-income populations to participate in the climate transition. Otherwise, we risk leaving them behind as victims of both the physical impact of climate change and the global climate transition. Inclusive financial services, including savings, insurance, credit and payments products, will be crucial tools for helping the world to advance each of the COP26 priorities.

*Source: Published by CGAP 03 Nov 2021
Click here to access the full article

Addressing Gender Norms to Increase Financial Inclusion: Designing for Impact

By Antonique Koning, Joanna Ledgerwood, Nisha Singh

To advance women’s financial inclusion and economic empowerment, funders and market facilitators need to acknowledge gender norms and understand how they limit women’s ability to access, use, and benefit from financial services. Ignoring gender norms can limit the effectiveness and impact of financial inclusion interventions, and in some cases, ‘gender-neutral’ approaches can even have unintended negative consequences. This Guide is aimed at helping funders and market facilitators design interventions that address the gender gap and increase women’s financial inclusion and economic empowerment by taking gender norms into account. Using this approach can help funders and their partners understand where in the market system barriers exist as a result of gender norms, who the various system actors are that can either influence or restrict change, and what can be done to encourage them to challenge these norms. This Guide provides practical and detailed guidance on how to factor in gender norms when taking each of these steps.



*Source: Published by CGAP Oct 2021
Click here to access the full article

Financial Health: The Opportunity for Financial Service Providers

By Payal Dalal

As we rebuild from the pandemic, we must prioritize the stability and resilience of local economies. Economic resilience starts with ensuring the financial health and wellbeing of individuals, households and small businesses.

The private sector, particularly financial service providers (FSPs), occupy the front lines of local economies. They provide key services, tools, products and capital to help clients weather volatility, save for the future and invest in growth. Although focusing on client financial health might seem like a nice thing to do, it's actually smart economics. If FSPs prioritize the financial health of their customers, they will not only increase customer loyalty, but they will build a more robust client base that will lead to longer term sustainability for their businesses.

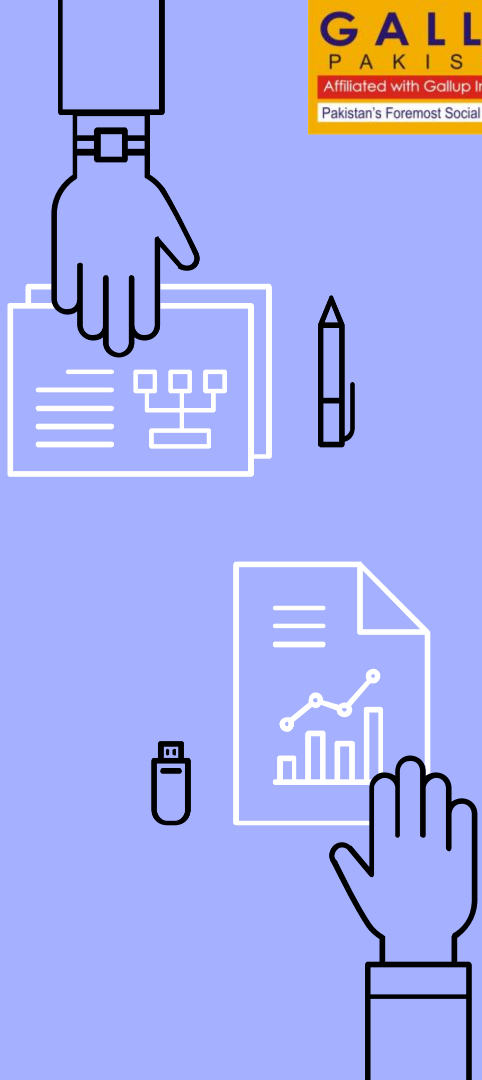
*Source: Published by FinDev Gateway 04 Nov 2021
Click here to access the full article

Financial Literacy and Consumer Financial Well-being in Ghana: Any Nexus With Economic Stability?

By Juabin Matey

Despite persistent efforts to deal with life's economic challenges, most Ghanaians are financially insecure, making the pursuit of lifelong goals more difficult. Given these realities, financial literacy and consumer financial stability appear viable strategies for promoting economic stability. This is because financial literacy can serve as a conduit for informed financial decisions at both the household and macroeconomic levels. A high human development index is an indication of a better welfare of the citizenry in the country. As a result, linking household decisions to broader policy outcomes is inevitable.

Efforts are being made to establish a link between financial literacy and consumer financial stability and their relationships with macroeconomic stability. One relevant finding is that financial literacy has a significant positive association with economic stability as measured by citizens' welfare.



*Source: Published by FinDev Gateway Oct 2021
Click here to access the full article

Digital financial transactions show strong growth in Pakistan: SBP report

Digital financial transactions showed strong growth in the country, revealed the State Bank of Pakistan (SBP) in its Annual Payment Systems Review (PSR) for the fiscal year 2020-21.

The SBP said that the growth was achieved on the back of 27 banks offering app-based banking along with other entities offering innovative payment solutions for accepting digital transactions.

Image Source: Google Images

*Source: Published by Business Recorder 22 Oct 2021
Click here to access the full article

Govt. encouraging foreign investment to increase microfinance banking footprint in Pakistan

Advisor to the Prime Minister on Finance and Revenue, Shaukat Tarin, has said that the government is encouraging foreign investment and focusing on increasing the footprint of microfinance banking in Pakistan to stimulate economic activity in the country.

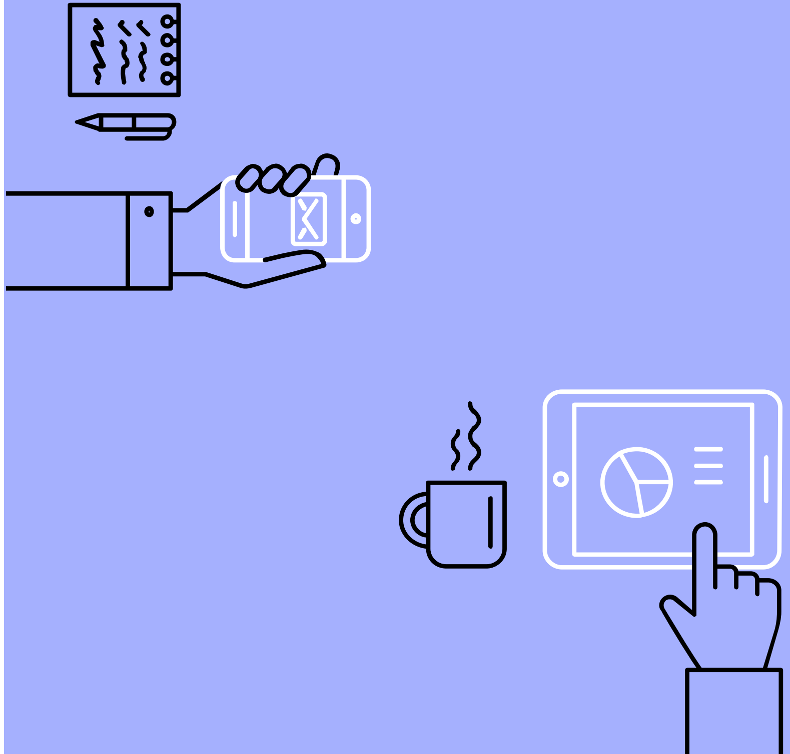
He stated this while meeting with the delegation of FINCA Microfinance Bank led by its Global Chief Executive Officer (CEO) Andree Simon at the Finance Division. Andree Simon briefed the meeting about operations of FINCA and appraised that the bank is working to provide microfinance services to the under-privileged segments of society.

Tarin said that the present government is determined to uplift the living standards of the under privileged, especially in rural areas.

*Source: Published by Profit Pakistan 04 Nov 2021
Click here to access the full article

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.



UBL & OPay collaborate on expanding digital acceptance, financial inclusion in Pakistan

UBL and OPay recently joined hands with the objective to expand digital acceptance and financial inclusion in Pakistan. An MoU was signed by both institutions in this regard.

UBL and OP Digital Services Pvt. Ltd (OPay) have agreed to join hands for a strategic collaboration in the areas of merchant acceptance (point-of-sale acquiring) and financial inclusion (branchless banking).

OPay is a Fintech company based out of Beijing, China, having presence across Africa and Asia, with a valuation close to $ 2 billion.

Image Source: Business Recorder

*Source: Published by Business Recorder 18 Oct 2021
Click here to access the full article

U Microfinance Bank Collaborates with NdcTech and Temenos to Promote Financial Inclusion

U Microfinance Bank, a wholly-owned subsidiary of Pakistan Telecommunication Company Limited (PTCL) and the fastest growing Microfinance Bank in Pakistan has recently signed an agreement with NdcTech to implement Temenos Infinity Digital Banking Platform and Temenos Transact next-generation Core Banking Platform.

With Temenos' open banking platform and NdcTech's deep implementation expertise, U Bank will be able to optimize its operations and enable the delivery of enhanced digital products with shorter timescales. The partnership will allow U Bank to offer more accessible and lower-cost financial services to the Pakistani population and promote financial inclusion.

*Source: Published by Daily Pakistan 04 Nov 2021

Click here to access the full article

Image Source: Daily Pakistan

MCB to buy 55pc shares in Telenor Microfinance Bank

MCB Bank Limited is looking to acquire 55 percent shares in Telenor Microfinance Bank (TMB).

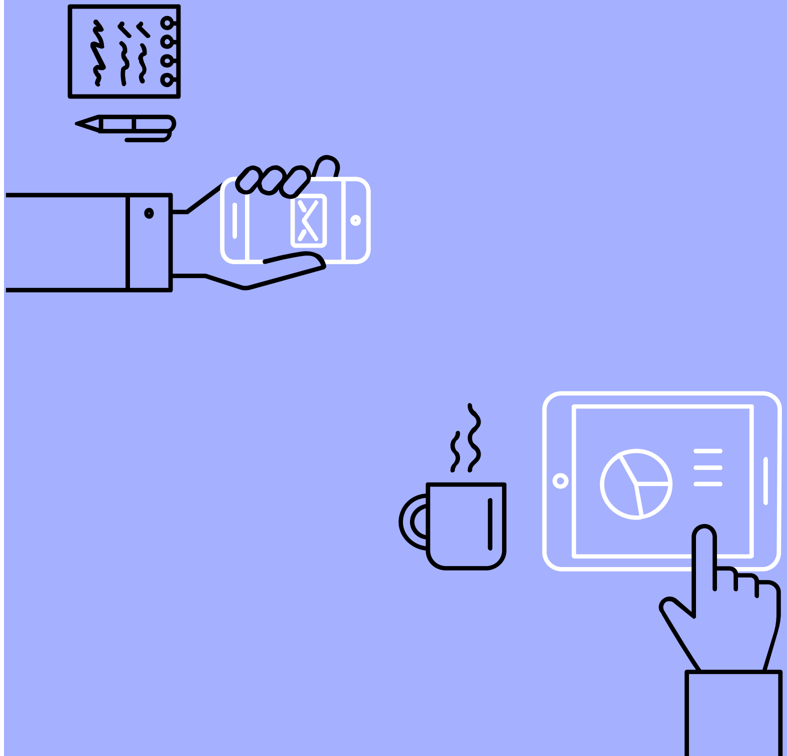
"Subject to the permission granted by the State Bank of Pakistan (SBP) or any other regulatory authority, the board of directors of the bank in its meeting has accorded its in-principle approval to conduct a due diligence for a potential transaction for the purchase of 55 percent shares of M/s Telenor Microfinance Bank Limited held by Telenor Pakistan BV (operates under the Easypaisa brand name)," the bank said in a notice sent to the Pakistan Stock Exchange.

Image Source: Google Images

*Source: Published by The News International 03 Nov 2021
Click here to access the full article

DATA VISUALIZATIONS

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.



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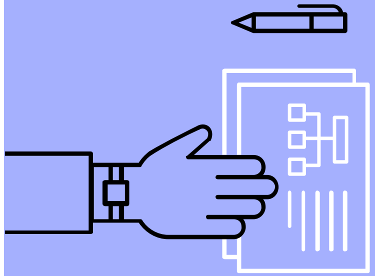
KEY STATISTICS 2021

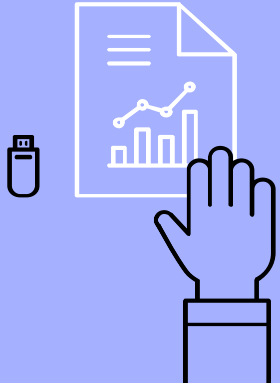
During FY21, all channels of payment systems showed growth compared to previous year.

Number of ATMs	16,355	5%
POS Machines	71,907	47%
E-Commerce Merchants	3,003	76%

All figures are rounded off. Arrow indicates an upward trend in figures compared to FY20.

*Source: Published State Bank of Pakistan Payment Systems Review FY 2020-21
Click here to access the full report



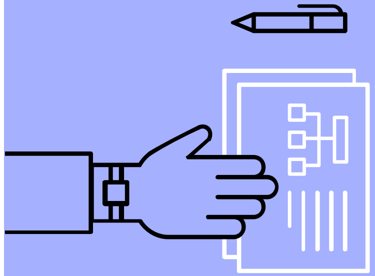


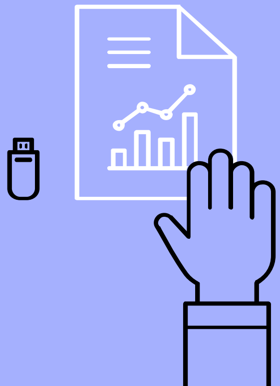
KEY STATISTICS 2021

During FY21, all channels of payment systems showed growth compared to previous year.

No. of Cards 46mn 7% ↑	
Debit Cards	65%
ATM Only Cards	13%
Credit Cards	4%
Others	18%

All figures are rounded off. Arrow indicates an upward trend in figures compared to FY20.





*Source: Published State Bank of Pakistan Payment Systems Review FY 2020-21

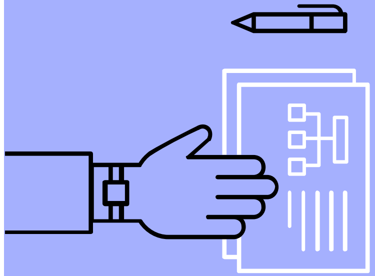
Click here to access the full report

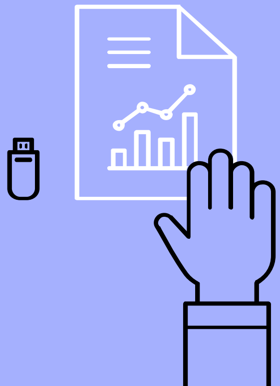
KEY STATISTICS 2021

During FY21, all channels of payment systems showed growth compared to previous year.

Internet Banking	Mobile Banking
Users 5mn – 32% ⬆	Users 11mn – 29% ⬆
Volume 93mn – 65% ⬆	Volume 193mn – 137% ⬆
Value 5,661bn – 92% ⬆	Value 4,951 – 179% ⬆

All figures are rounded off. Arrow indicates an upward trend in figures compared to FY20.





*Source: Published State Bank of Pakistan Payment Systems Review FY 2020-21
Click here to access the full report

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