FINDEV CYBERLETTER

34TH EDITION

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

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 34th 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) 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

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

3) 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.

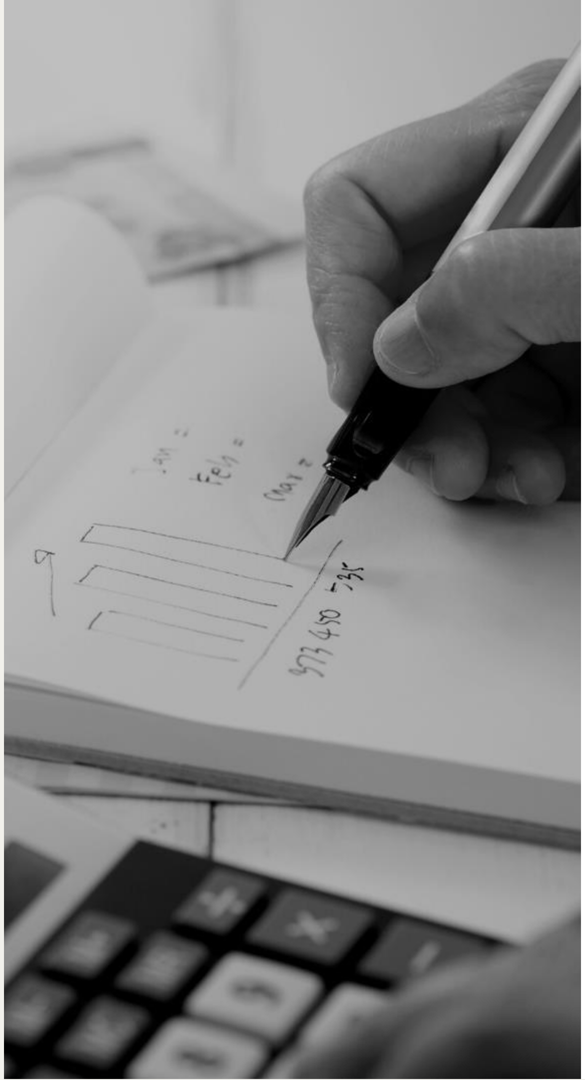
A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original articles have been extracted.

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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Many women in Pakistan remain financially excluded. Approaching policy and regulation through a gender-intentional lens that considers prevailing social norms can help regulators affect positive change in this arena

Digital tax filing for women to be introduced

Befiler, an online tax filing portal, to bring in a digital solution for tax filing with Karandaaz support, especially for women in Pakistan

HBL & Telenor Pakistan join hands to promote financial inclusion

HBL has partnered with Telenor Pakistan to enable customers to access the Bank's Internet Payment Gateway (IPG) and Direct Transfer (DT) systems through MyTelenor App

1.

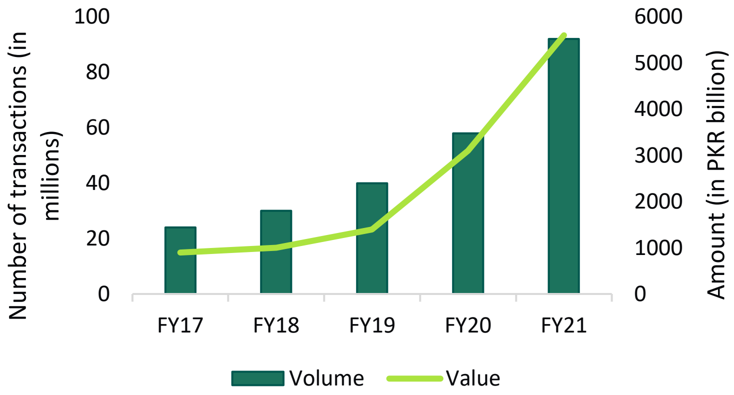
DATA VISUALIZATIONS

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.

Key Statistics FY 2021

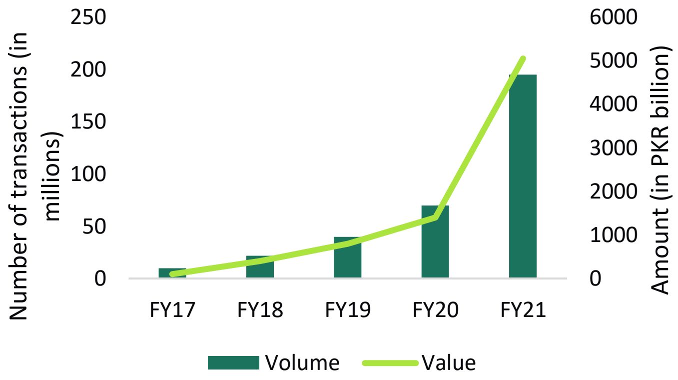
Significant progress has been observed in the usage of Internet Banking and Mobile Banking channels

Internet Banking Transactions



(Figure shows 5-year snapshot)

Mobile Banking Transactions



(Figure shows 5-year snapshot)

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

Key Statistics FY 2021

E-Banking		Paper Based	
Volume	Value	Volume	Value
1, 183 mn	87 tn	396 mn	152 tn
31% ⇧	31% ⇧	7% ⇩	16% ⇧

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

2.

NEWS ROUNDUP

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

COVID-19 and Microfinance: Managing Trouble with Restructuring

By Mary Rose Brusewitz

The COVID-19 pandemic, and measures in response to it, have hit investors, providers of microfinance and small and medium-size enterprise (SME) loans in developing and emerging markets, and the vulnerable people these providers serve, with unprecedented challenges. Relief and restructuring efforts continue. More innovation is needed. Exogenous events will occur with more frequency, including financial or currency crises, pandemics, climate change-related events like flooding, and earthquakes. What have investors learned from the current crisis? What can investors do to improve providers' readiness for future crises?

*Source: Published by CGAP 11 Nov 2021
Click here to access the full article.

Pitfalls in MFI Digitization: Getting Bogged Down in Technology

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By Mark Flaming

If you're a microfinance institution (MFI) looking at the market and thinking about offering digital products of your own, what you cannot see can hurt you.

Most financial institutions, including MFIs, will acquire new technology to take digital products and services to scale. But large technology changes are very challenging for banks, especially MFIs, to implement. Rushing into technology solutions, without having the institutional capability in place to commercialize them, is a common mistake MFIs make when digitizing. As some companies have learned the hard way, new technology poorly implemented can easily destroy more value than it creates.

*Source: Published by CGAP 16 Nov 2021
Click here to access the full article.

Pakistan: Gender-Intentional Policy Can Make Agent Banking Work Better

By Kathryn Imboden, Naeha Rashid

Many women in Pakistan remain financially excluded. In 2020, only 7% of the female population had a formal account. One of the reasons for this is that agent networks — the bridge between the cash economy and digital financial services — remain largely inaccessible to many women. Women prefer to use women agents, yet just 1 in 100 agents in Pakistan is a woman.

Approaching policy and regulation through a gender-intentional lens that considers prevailing social norms can help regulators affect positive change in this arena. Agent networks are recognized as a powerful enabler for the expansion of digital financial services to low-income populations, particularly in rural areas. They can increase access to financial services by lowering the cost of delivery in otherwise hard-to-reach areas.

Image Source: Saiyna Bashir via Communication for Development Ltd.

*Source: Published by CGAP 23 Nov 2021
Click here to access the full article.

The Great Unbundling: How Technology Is Making Financial Services Modular and What It Means for Inclusion

By Peter Zetterli

Innovation is profoundly transforming many economic sectors – and financial services are no exception. This paradigm shift is not just bringing innovative services to the market, but potentially changing the very nature of banking. As legacy banks struggle to digitize, whole new categories of business models are emerging that approach financial services in a very different way. This publication, aimed at financial service providers, policymakers, and regulators, shares CGAP's perspective on how financial services are changing through a business model lens. It highlights which technology forces are driving the transformation, how the production and consumption of financial services are changing, what new business models are emerging, and how this is changing the nature of retail banking as we know it.

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

Financial inclusion — Cracking the code

Where COVID-19 disproportionately impacted women globally, it was also a tipping point for financial inclusion during the pandemic and digitalization of economies around the world. And undoubtedly, women have woken up to the potential of digitalization with significant changes seen in the last year or so primarily in the developing economies where their financial inclusion remains a grave concern.

In Pakistan too, digitalization efforts in recent times have paved the way for accelerating the pace of financial inclusion, providing the necessary impetus for all stakeholders to enhance gender centricity in digital finance. Tech solutions, fintech startups, digitalization in micro-finance and branchless banking, and efforts by the central bank have been instrumental in igniting growth in the financial inclusion of the underserved and the un-served, including women.

*Source: Published by Business Recorder 25 Nov 2021
Click here to access the full article.

3.

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.

Digital tax filing for women to be introduced

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Befiler, an online tax filing portal, to bring in a digital solution for tax filing with Karandaaz support, especially for women in Pakistan.

The initiative aims to help working women in Pakistan to digitally file their tax returns, decreasing their reliance on male family members for in-person meetings with consultants for legal and tax matters.

“Befiler aims to facilitate women for tax filing in hopes to have a higher involvement from them in finance and tax matters”, said CEO Befiler Pakistan Akbar Tejani.

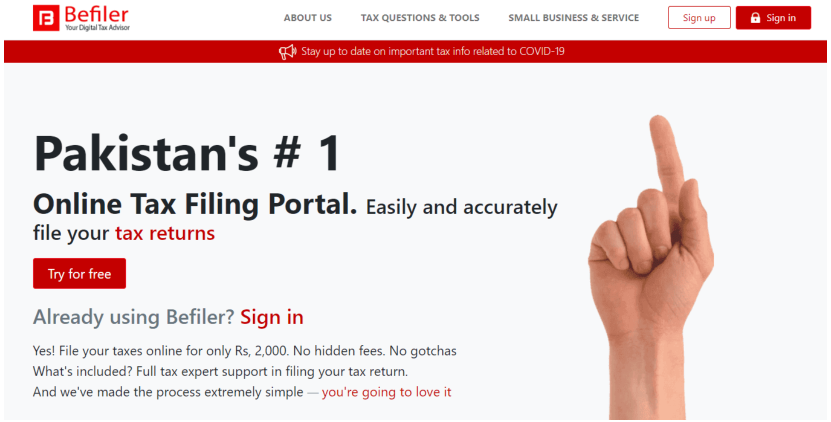

Image Source: Google Images

*Source: Published by The News 30 Nov 2021
Click here to access the full article.

Digital financial services: Standard Chartered Bank collaborates with 'NIFT ePay'

Standard Chartered Bank, a globally leading financial institution operating in Pakistan has recently signed an agreement with National Institutional Financial Technologies (NIFT) – a specialized institution for enabling digital commerce payments.

Through this agreement, Standard Chartered Bank will connect to "NIFT ePay" as an 'Issuer' and 'Acquirer' to facilitate its clients. The primary focus of this digital financial services platform is to execute interoperable and secure digital-commerce payments, using any bank account, card and wallet in Pakistan.

With this agreement, Standard Chartered Pakistan brings its international omni-channels collections offering for its corporate clients – Straight2Bank Pay – providing multiple payment options to end-consumers both online and offline.

Image Source: Google Images

*Source: Published by Business Recorder 09 Nov 2021
Click here to access the full article.

UBL partners with U-Microfinance Bank Limited to promote financial inclusion in Pakistan

United Bank Limited (UBL) and U Microfinance Bank Limited (Ubank) recently signed a Memorandum of Understanding to promote financial inclusion in Pakistan and to open up multiple avenues for collaboration, including Medium to Long Term Debt Funding, Retail TFC, Islamic Microfinance Funding, Commercial Paper and synergizing their respective business to scale.

“As the ‘Best Digital Bank’ of Pakistan, we are looking forward to our strategic alliance with Ubank, with the aim of expanding the scope of financial inclusion across the country. It presents an exciting opportunity to further strengthen our digital prowess to bring state of the art financial solutions to our combined customer bases”, said CEO UBL.

Image Source: Daily Times

*Source: Published by Daily Times Dec 01 2021
Click here to access the full article.

HBL & Telenor Pakistan join hands to promote financial inclusion

HBL has partnered with Telenor Pakistan to enable customers to access the Bank's Internet Payment Gateway (IPG) and Direct Transfer (DT) systems through MyTelenor App.

This partnership is in line with HBL's vision of becoming a 'Technology Company with a Banking License'. The digital transformation that will result from HBL and Telenor Pakistan joining forces will result in a seamless and smooth digital experience for customers across Pakistan.

Image Source: Global Village Space

*Source: Published by Global Village Space Dec 06 2021
Click here to access the full article.

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