FINDEV CYBERLETTER

36th EDITION

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

EDITIOR'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 36th 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

- **National Savings integrates with SBP's Raast:** In February 2022, the SBP launched Raast to offer instant and free P2P payment services with the objective of promoting digital financial services and financial inclusion. Through Raast, bank customers can send and receive funds in their accounts using their bank's mobile app, internet banking or over-the-counter services
- **Mastercard links up with fintech OPay to drive financial inclusion, digital payments across Africa:** Mastercard and fintech giant OPay today announced a strategic partnership, which marks a significant boost for wider financial inclusion and economic prosperity by opening digital commerce to millions of people across middle east and Africa.
- **Brazilians are adopting digital payments faster than anyone else:** Digital payments are driving a profound change in Brazil's banking sector. Over the past 10 years, a silent revolution in Brazil has led to increased competition, more financial inclusion and lower banking fees. The explosion of digital payments in Brazil has created an innovative financial ecosystem that works for ordinary people.

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"News Roundup"

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

Mastercard links up with fintech OPay to drive financial inclusion, digital payments across Africa

by writer at www.itp.net

Mastercard and fintech giant OPay announced a strategic partnership, which marks a significant boost for wider financial inclusion and economic prosperity by opening digital commerce to millions of people across middle east and Africa.

The collaboration enables OPay consumers and merchants in the region – including Algeria, Morocco, Egypt, Nigeria, Ethiopia, Kenya, Pakistan, South Africa and the UAE – to engage with brands and businesses anywhere across the globe, thanks to a Mastercard virtual payment solution linked to the OPay eWallet.

This partnership is the latest milestone in Mastercard's emerging market strategy where the technology company is collaborating with growing fintech's such as OPay to expand access to digital payments, enable multiple lifestyle services, create new pathways to financial inclusion and support the next generation of super-apps. Consumers are increasingly looking for seamless user experiences on a single platform offering easier interactions to complete various day-to-day needs, including sending and receiving money, ordering food and groceries, organizing transport, lending, investing and listing items they wish to sell.

*Source: Published by itp.net 19th May 2022 click here to access the full article

FINANCIAL INCLUSION IN THE NFT WORLD

As more people enter the NFTs space, demand rises. Meaning in a scarce market, the price most likely rises accordingly. The result of this is a financially exclusive market. In order to make it more inclusive, companies like 'Custom X', have turned to fractionalized NFTs — meaning you can own a small piece of the NFT without having to pay the total amount. With fractionalized NFTs, you can't fully utilize the perks, like joining the exclusive club that the bored ape yacht club started. However, you can still join the community attached to the NFT. It is more inclusive, opening up a market where it is also possible to just collect the attribute or even a pixel.

*Source: Published by forbes.com 28th January 2022. click here to access the full article

Indonesian bank BRI IS digitalizing financial inclusion in Indonesia

BY Sunarso Sunarso

Indonesia's access to formal financial products and services has come a long way in the last decade, Indonesia's financial literacy index remains relatively low at less than 40% today.

Indonesia is home to more than 60 million ultra-micro and micro businesses. They are the critical driving force of Indonesia's economy, accounting for more than 60% of Indonesia's GDP and absorbing a whopping 97% of the workforce. However, a lack of access to formal banking services has hindered their ability to access capital, limiting their growth potential. In a recent study by Indonesia's Ministry of Cooperatives, more than half of surveyed ultra-micro and micro-businesses remain financially underserved. Many lack bank accounts, are in debt, and transact predominantly in cash, making it difficult for them to build a legitimate credit history that would give them access to formal funding when they need it.

Meanwhile, COVID-19 has expedited Indonesia's uptake toward digitalization. Today, internet accessibility is close to 53% of the population. Digitalization of financial services presents an opportunity to solve financial inclusion challenges and set the foundation for inclusive and sustainable economic growth.

Indonesia has set a target to achieve 90% financial inclusion by 2024 (up from 76% today); ultra-micro and micro-businesses are the main focus of this vision.

*Source: Published by weforum.org 23rd May 2022 Click here to access the full article

Brazilians are adopting digital payments faster than anyone else

by David Vélez

Since the beginning of the COVID-19 pandemic, around 16 million people have been enfranchised into the Brazilian financial system. In fact, the increased migration to online services during this period means 85% of Brazilians now have access to financial services. This represents one of the highest increases in the banked population in decades. Despite this improvement, there are still barriers to digital payment adoption — but some of Brazil's promising fintech companies are looking for the solution in collaboration with other actors.

This progress is the result of a combination of an overhaul in the payments regulatory framework, intensive use of technology, entrepreneurship and a focus on creating products that address the needs of Brazilian customers. Nubank, founded in São Paulo in 2013, is today one of the largest digital banking platforms in the world, offering financial products to more than 53 million customers. More importantly, recent data shows that Nubank has opened access to the financial system for 5.6 million people who had never previously had access to banking services.

Digital payments are driving a profound change in Brazil's banking sector. Over the past 10 years, a silent revolution in Brazil has led to increased competition, more financial inclusion and lower banking fees. The explosion of digital payments in Brazil has created an innovative financial ecosystem that works for ordinary people.

*Source: Published by weforum.org 19th May 2022 Click here to access the full article

Incentives for Small Retailers to Climb the Modernization and Digitization Ladder

By Shreya Kankanhalli

In emerging markets, traditional small-scale retailers – such as the *tienditas* of Mexico – can appear to observers as an anachronism. They are neighbors of modern retail chains yet lack modern managerial practices and physical features (such as a clean and informative store facade), and often only accept cash payments from customers. Policy programs for this segment have traditionally focused on business education and cash provision. The implicit assumption here is that if you inform small-scale retailers about modern practices and give them money, they will implement obviously beneficial changes, imitating their modern peers.

*Source: Published by findevgateway.org 12th April 2022 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.

National Savings integrates with SBP's Raast

In February 2022, the SBP launched Raast to offer instant and free P2P payment services with the objective of promoting digital financial services and financial inclusion. Through Raast, bank customers can send and receive funds in their accounts using their bank's mobile app, internet banking or over-the-counter services. Last week, the SBP announced that over 10 million customers have registered to use its instant payment system 'Raast', launched in February. Adding that the aggregated value of Person to Person (P2P) transactions using the Raast system by customers has crossed Rs36 billion. The State Bank of Pakistan (SBP) announced the successful integration of the Central Directorate of National Savings (CDNS) with its instant payment system 'Raast'. "Now customers of CDNS can receive their payments directly into their bank accounts without going to branches," said SBP. "Through this integration with Raast, customers receive their payments in bank accounts in a free, fast and secure way," said the central bank adding that the development will make life easier for those interested in saving schemes.

*Source: Published by business recorder Click to here access full article

KUDA TECHNOLOGIES POISED TO DRIVE FINANCIAL INCLUSION IN PAKISTAN

Kuda Technologies in collaboration with Fatima Group and City Schools Group poised to drive financial inclusion in Pakistan. Kuda Technologies, a UK-headquartered financial services company focused on emerging markets, has partnered with Fatima Group and The City Schools Group to apply for a digital banking license in Pakistan with the goal of driving financial inclusion in the country.

Kuda Technologies' priority is to provide affordable banking and scale its partners' inclusion-focused initiatives in Pakistan.

Through the existing initiatives, Fatima Group and The City Schools Group have shown the world what can be achieved when inclusion is taken seriously. With Kuda's custom technology, these initiatives will give more people across Pakistan access to better financial opportunities.

*Source: Published by daily times. Click to here access full article

Standard Chartered Announces Launch Of SCWomenInTech Cohort 4

After three successful years in Pakistan, Standard Chartered Bank in partnership with INNOVentures Global (Pvt.) Limited, announced the launch the Cohort 4 of SCWomeninTech. SCWomeninTech(WiT) supports female-led entrepreneurial teams with business management training, mentoring and seed funding. The WiT programme is designed to help address gender disparity in the technology sector and to use technology to tackle social challenges faced by communities. They are an important part of our entrepreneurship offering within Future makers by Standard Chartered, our global initiative to tackle inequality and promote financial inclusion.

*Source: Published by business recorder Click to here access full article

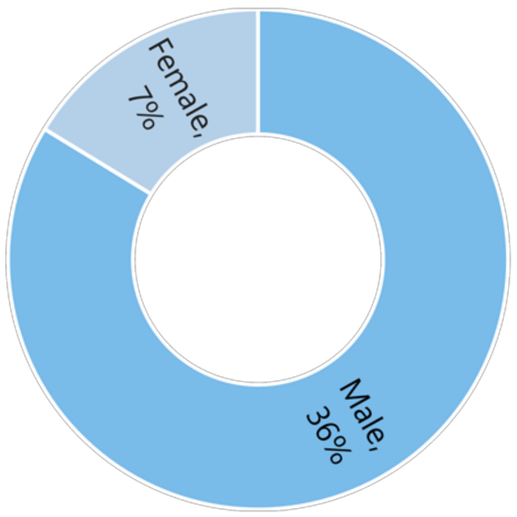
DATA VISUALIZATION

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.

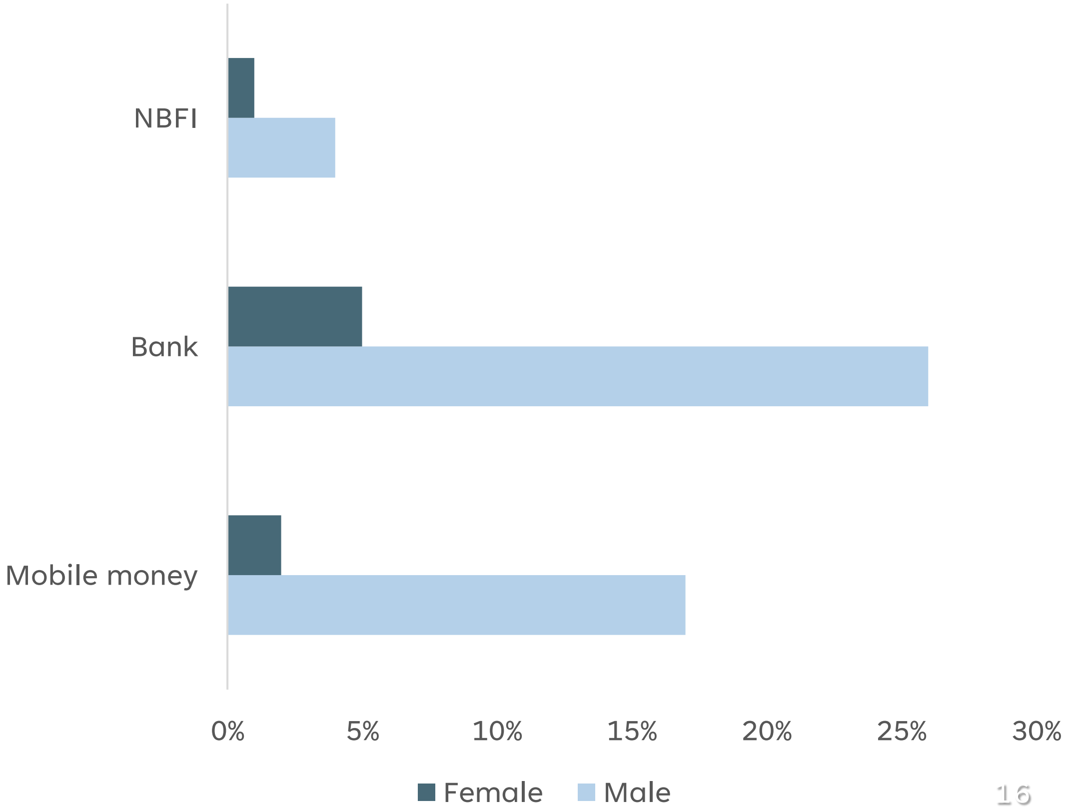
FINANCIAL INCLUSION BY GENDER

Significant gender gaps were seen in financial inclusion

2020: Financial inclusion by service type (Shown: Percentage of Pakistan adults, by gender)



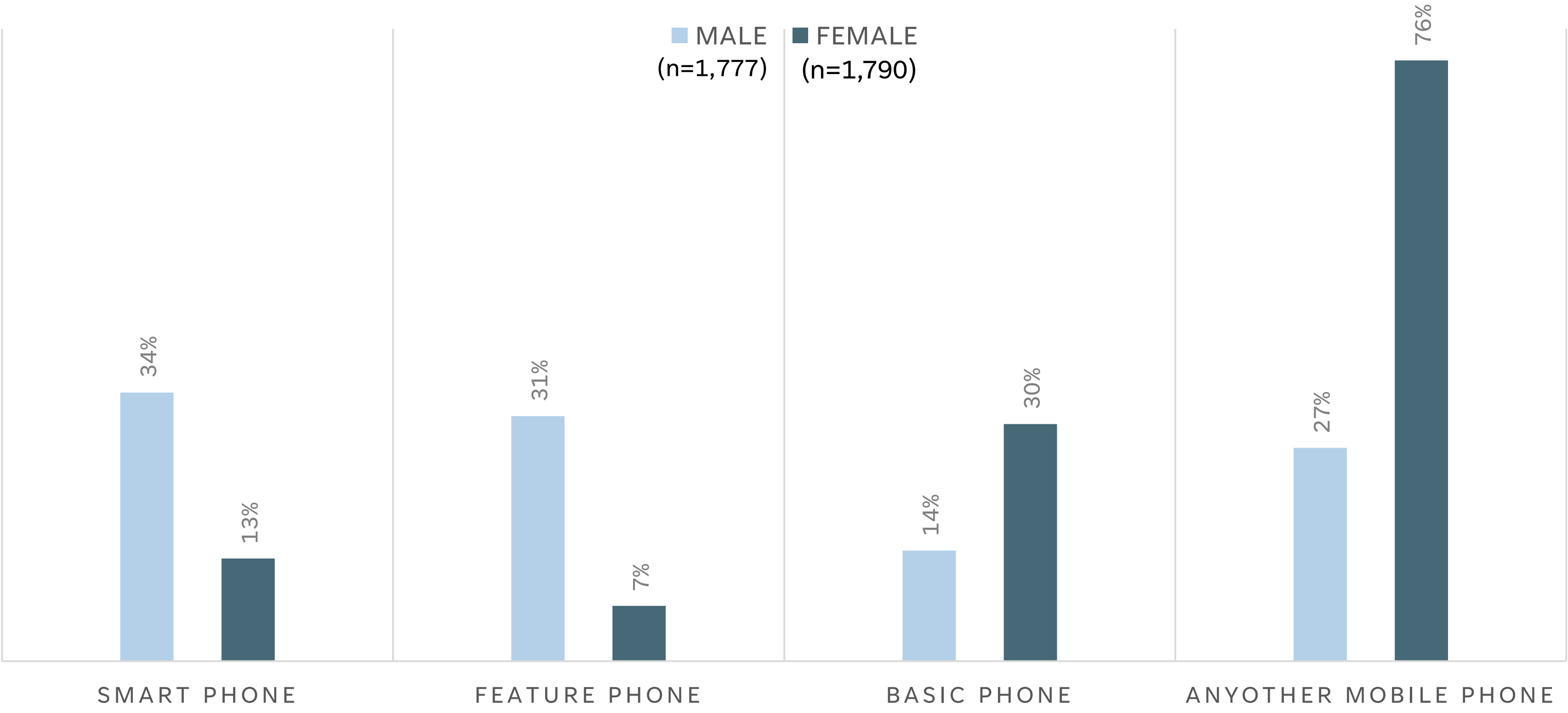
Percentage of men/women who were financially included



*Source: Published by Kantar Pakistan FII Tracker survey, Wave 6 (N=3,567, 15+), February-March 2020. Click here to find the article.

FINANCIAL INCLUSION AND PHONE OWNERSHIP BY GENDER

2020: Mobile phone ownership (Shown: Percentage of Pakistan adults, by gender)

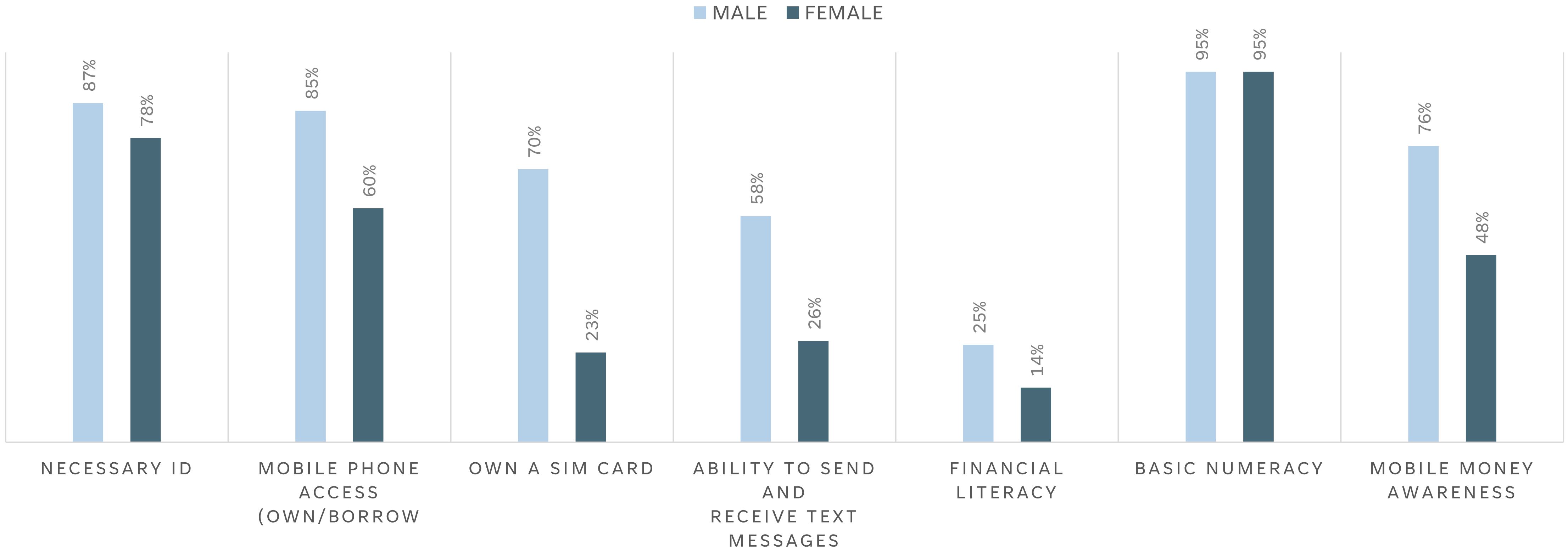


*Source: Published by Kantar Pakistan FII Tracker survey, Wave 6 (N=3,567, 15+), February-March 2020. Click here to find the article.

FINANCIAL INCLUSION BY GENDER

READINESS: MEN VS. WOMEN PAKISTAN

- 2020: Readiness indicators by gender (Shown: Percentage of Pakistan men and women) Women have lower scores than men across all indicators of readiness for financial inclusion, except for basic numeracy.



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