FINDEV CYBERLETTER

38th 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 38th 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

- **From Humanitarian Assistance to Economic Resilience in Yemen:** CARE International has developed an approach which adapts our Village Savings & Loans Association (VSLA) model to the complexities of humanitarian settings. Results from a 2021 pilot study in Taiz, Yemen - which reached 300 women - show how the VSLA in Emergencies (VSLAiE) approach can help extend access to financial services to some of the most underserved communities in the world.

- **Asaan Mobile Account Platform: SBP Unveils Media Drive in Collaboration with PTA, UK's FCDO:** AMA aims to address financial exclusion challenges faced by the unbanked segments by providing them an easy, affordable and digital access to financial services, by simply dialing a USSD code *2262#

- **ABL to Host NIC FinTech Hackathon 2022:** Hackathons are a great way to mobilize the community to find solutions to existing micro and macro-economic problems prevalent in the country.

- **COVID-19 Boosted the Adoption of Digital Financial Services:** The COVID-19 pandemic put a damper on a lot of progress over the last three years, but for financial inclusion it was a catalyst that drove a large increase in digital payments amid the global expansion of formal financial services.

"News Roundup"

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

From Humanitarian Assistance to Economic Resilience in Yemen

By Charlotte Heales, CARE International UK

CARE shares results and lessons from adapting their Village Savings & Loan Association (VSLA) model to crisis settings.

The Yemen civil war began in 2014 and has had a severe and wide-reaching impact on the Yemeni people, who are living through a protracted crisis of acute food insecurity and economic decline. Over 20 million people - two thirds of the population - need humanitarian assistance.

When crisis hits, formal financial institutions can find it difficult to operate. And they often see people living in emergencies as unable to engage with financial services – especially when they are women. Despite the clear demand, sectoral knowledge around extending access to financial services for women in humanitarian contexts remains underdeveloped.

To help bridge the gap between short-term humanitarian assistance and longer-term resilience, CARE International has developed an approach which adapts our Village Savings & Loans Association (VSLA) model to the complexities of humanitarian settings. Results from a 2021 pilot study in Taiz, Yemen - which reached 300 women - show how the VSLA in Emergencies (VSLAiE) approach can help extend access to financial services to some of the most underserved communities in the world.

*Source: Published by www.findevgateway.org 12th July 2022 click here to access the full article

Global Policy Forum for Financial Inclusion to kick off in September

The forum is organized by the Alliance for Financial Inclusion and the Central Bank in Jordan (CBJ) and will be held from September 5 through September 9.

The Financial Inclusion Alliance is a leading global network of financial inclusion initiatives and policies, which was established in 2008 and headquartered in Kuala Lumpur, Malaysia.

It aims to enable policy makers around the world to formulate comprehensive and sustainable financial policies to increase access to and use of high-quality financial services by providing opportunities for learning among network members.

*Source: Published by www.jordantimes.com Aug 07,2022 Click to here access full article

Instant Credit And The Case Of Missing Regulator

By Mutaher Khan

Instant credit has become a huge hit in Pakistan, with countless apps spending heavily on both performance and influencer marketing. As a result, downloads ballooned during the years. Every other metric also leads to the same conclusion: cumulative number of borrowers have surged 558% between 2019 and 2021, while amount disbursed was up 1,140%.

You can see for yourself how the numbers shot up in 2021, as the SECP issued non-banking finance company licenses to four FinTech's. This helped add over Rs5 billion in amount and 293K borrowers just the last year – more than 2019 and 2020 combined.

DANA Bolsters Financial Inclusion in Indonesia with HERE Technologies

by: Janmesh Chintankar

DANA, one of Indonesia's digital wallet services, is utilizing HERE location services to bolster inclusive financial services in the country.

Indonesia has the third-largest unbanked population in the world after China and India, despite the pandemic accelerating the acceptance and adoption of digital financial services in the country. To assist in economic recovery, the Indonesian government has rolled out the National Strategy for Financial Inclusion (Strategi Nasional Keuangan Inklusi, SNKI), which aims to achieve 90% financial inclusion by 2024.

Home-grown fintech DANA seeks to provide Indonesians with a trustworthy digital payment platform where businesses and consumers can transact safely and conveniently.

*Source: Published by www.iot-now.com August 04, 2022 Click to here access full article

COVID-19 Boosted the Adoption of Digital Financial Services

The global findex database 2021 reports increases in financial inclusion around the world.

The COVID-19 pandemic put a damper on a lot of progress over the last three years, but for financial inclusion it was a catalyst that drove a large increase in digital payments amid the global expansion of formal financial services.

71% of people in developing countries have a financial account

The gender gap in account ownership has also shrunk for the first time, narrowing from 9 to 6 percentage points in developing countries

Findex is showing us that digitalization of financial services is changing the game, which is very inspiring for those financially included – and for Bank staff working on these issues

*Source: Published by www.worldbank.org 21th July 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.

Asaan Mobile Account Platform: SBP Unveils Media Drive in Collaboration with PTA, UK’s FCDO

The State Bank of Pakistan (SBP), in collaboration with Pakistan Telecommunication Authority (PTA) and UK’s Foreign, Commonwealth and Development Office (FCDO), has unveiled the mass media campaign for Asaan Mobile Account (AMA) a flagship initiative under the National Financial Inclusion Strategy, to mark its formal launch.

AMA aims to address financial exclusion challenges faced by the unbanked segments by providing them an easy, affordable and digital access to financial services, by simply dialing a USSD code *2262#

The mass media campaign, funded by the UK’s Foreign, Commonwealth and Development Office (FCDO), is expected to play a crucial role in spreading digital financial inclusion among all, especially among the low-income segments and women with cell phones who may not have access to internet and wish to have a simpler way to avail financial services.

*Source: Published by www.brecorder.com Click to here access full article-11-August 2022

MMBL, CBA Join Hands to Enhance Access to Digital Financial Services

Pakistan's largest digital bank, Mobilink Microfinance Bank Limited (MMBL) and CBA, a leading digital distribution platform working to promote micro-entrepreneurship in Pakistan, have joined hands to increase peoples' access to premium digital financial services across the nation. This partnership will strengthen access to financial products and services through digital platforms and improve financial literacy.

*Source: Published by www.brecorder.com Click to here access full article-07-August 2022

ABL to Host NIC FinTech Hackathon 2022

Hackathons are a great way to mobilize the community to find solutions to existing micro and macro-economic problems prevalent in the country.

The National Incubation Centre (NIC) Pakistan's first of its kind and largest Incubation center, is hosting yet another exciting FinTech Hackathon in collaboration with Allied Bank (ABL). If you are a coder, UI/ UX expert or a problem-solver with a passion for FinTech, here's your chance to get a shot at Rs 1 million in prize money.

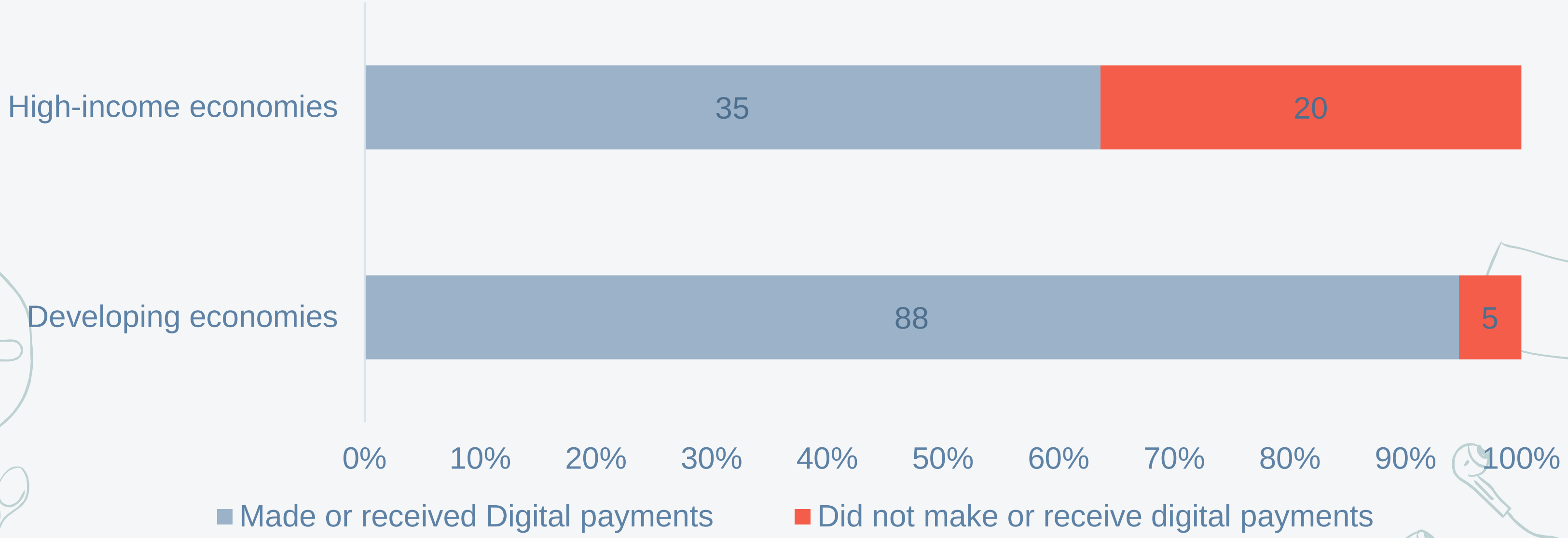
The following thematic areas have been identified to find solutions in the Fin-Tech space for the upcoming hackathon:

- Innovation in Fintech Banking
- Financial Inclusion and Literacy
- SME & Startup Banking

*Source: Published by www.brecorder.com Click to here access full article-05-August 2022

DATA VISULAIZATIONS

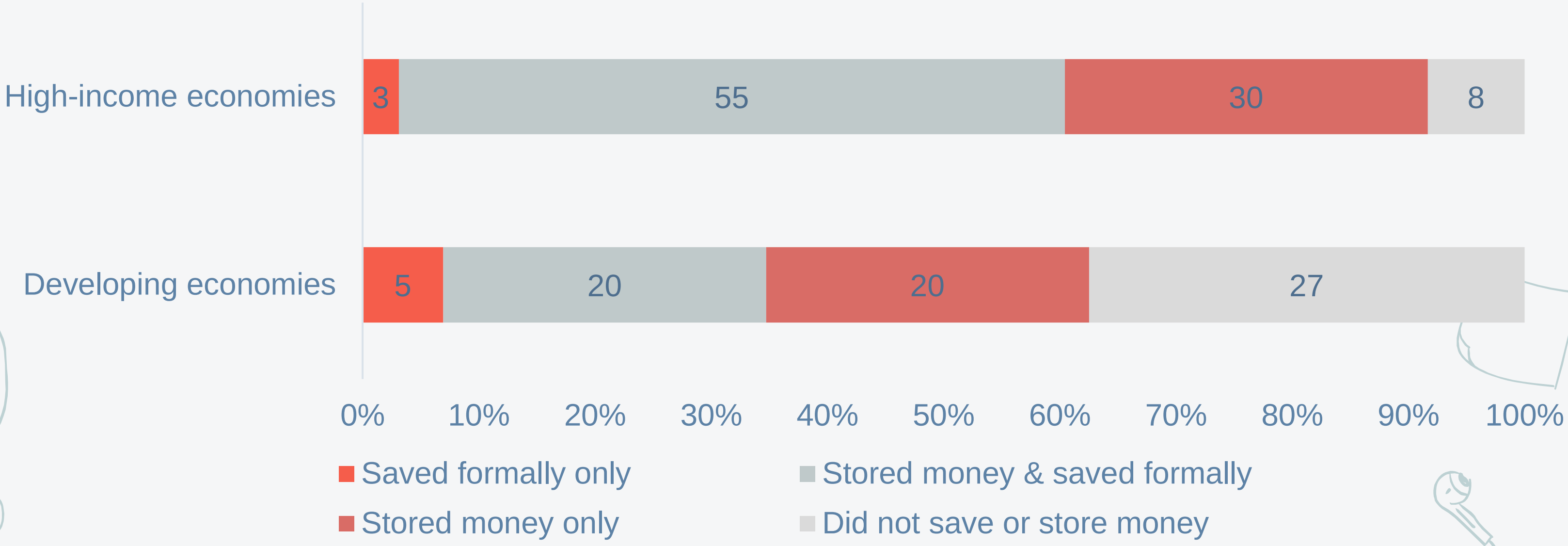
In Developing Economies, the Share of Account Owners Using Digital Payments has Grown Rapidly in Recent Years



Adults with account (%), 2014-2021

*Source: Global Findex database Click to here access full survey 2021

More Adults Used Their Account To Store Money For Cash Management Than To Save



Adults with account (%), 2021

*Source: Global Findex database Click to here access full survey 2021

www.gallup.com.pk/

/GallupPak

@GallupPak

caf@gallup.com.pk

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