FINDEV CYBERLETTER

4 6 T H E D I T I O N

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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 46th issue of the FinDev Cyberletter series (For August). 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 and around the world.
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 sources have been extracted. To access the original sources, 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)

HIGHLIGHTS

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President, Dr. Arif Alvi has asked banking sector to impart awareness of their financial products and services to masses through modern means of communication.

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Karakoram Cooperative Bank Limited (KCBL) has been a vital pillar in this mountainous region.

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The partnership's goal is to offer seamless payment processing and widen the app's customer base

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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

HOW BANKS ARE RESPONDING TO AFRICA'S AND THE MIDDLE EAST'S EVOLVING FINANCIAL NEEDS

Photo credits: Canva

During their post-pandemic routes to recovery, banks around the world have increasingly moved away from conventional banking methods toward more data-driven models. Expanding access to financial services can support a more inclusive economic recovery and speed up innovation in the industry, especially in Africa.

In Africa, cybersecurity-related incidents result in losses between $3.5 billion and $4 billion annually, a figure that has grown by almost 22 percent since 2020. It is, therefore, not surprising that 97 percent of surveyed executives at top financial institutions in Africa consider cybercrime a significant threat. While responding to the increasing demands for digital and innovative solutions, banks have also sought to collaborate with other players outside of banking. A case in point is the collaboration between banks and fintech companies to offer short-term loans in a competitive and agile manner.

By embracing these changes and staying agile, banks can better serve their customers and contribute to the region's economic development and growth.

Source: Published by www.internationalbanker.com Aug 31, 2023. Click here to access full article.

PRESIDENT OF PAKISTAN CALLS FOR MEASURES TO STRENGTHEN FINANCIAL INCLUSION, GENDER EQUALITY

President, Dr. Arif Alvi has asked banking sector to impart awareness of their financial products and services to masses through modern means of communication.

Chairing a meeting with representatives of banking industry in Karachi today, he said the banking institutions should take measures to further strengthen financial inclusion and gender equality in the sector.

The President emphasized the banking sector to focus on providing more employment opportunities and financing facilities to women. The President asked the banks to do their maximum in fields of financial literacy and environment as service of the society.

Source: Published by www.radio.gov.pk Aug 28, 2023. Click here to access full article.

Photo credits: www.radio.gov.pk

KCBL: UPLIFTING G-B THROUGH GROWTH, INCLUSION, AND RESILIENCE

Photo credits: www.tribune.com.pk

Since 1956, Karakoram Cooperative Bank Limited (KCBL) has been a vital pillar in this mountainous region, offering an extensive array of financial products and services to uplift the local community.

With a network comprising 49 branches and 16 sub-branches, KCBL has surged ahead to become the region's largest banking network.

A digital dawn beckons as KCBL embraces digital progress, the horizon broadens. Digital banking services loom on the horizon, promising effortless transactions through mobile wallets, bill payments, and fund transfers via smartphones and computers, a stride into a new era of financial convenience.

A symphony of progress in its journey forward, KCBL remains a constant force in the lives it touches. Amidst the striking vistas of Gilgit-Baltistan, the narrative of KCBL goes beyond banking – it's a harmonious symphony of dreams fulfilled, resilience nurtured, and prosperity etched into the very fabric of the region.

Source: Published by www.tribune.com.pk Aug 28, 2023. Click here to access full article.

Photo credits: www.mastercard.com

MASTERCARD AND INGIZ PARTNERSHIP AIMS TO BRING FINANCIAL INCLUSION TO EGYPT'S YOUTH

Mastercard and Ingiz, an Egyptian financial management startup, have partnered to bring more financial inclusivity to Egypt's youth.

Supported by Masria Digital Payments, the partnership will launch a digital application offering a wide range of financial products that target the needs of children and youth and empower them to take control of their financial future.

Furthermore, the partnership's goal is to offer seamless payment processing and widen the app's customer base to include a broad range of consumers and merchants.

Source: Published by www.paymentsjournal.com Aug 29, 2023. Click here to access full article.

FINANCIAL INCLUSION IMPACTED GDP POSITIVELY IN Q2, SAYS CHARTERED INSTITUTE OF BANKERS OF NIGERIA (CIBN)

Ken Okpara, president of the Chartered Institute of Bankers of Nigeria (CIBN) has said that the growth in contributions of the financial services sector to GDP is driven by an increase in the number of people using financial services.

Nigeria’s financial and insurance sector has recorded a 5.47 percent increase over the previous quarter’s result, the latest data from the National Bureau of Statistics (NBS) has shown.

NBS stated that the contributions of the finance and insurance sector to real GDP totaled 5.35 percent in the second quarter 2023.

Source: Published by www.businessday.ng Aug 29, 2023.
Click here to access full article.

INITIATIVES

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

Photo credits: Canva

REDUCING FINANCIAL INCLUSION GAPS: A POLICY ROADMAP FOR DEVELOPING ECONOMIES

In recent years, financial inclusion (in terms of its dimensions of access, usage, and quality of products, and services) has increased significantly across nations and regions.

However, financial exclusion of certain groups based on gender, age, income, education, and occupation is still rampant in developing economies.

Developing economies require innovative policy interventions, such as enhancing digital infrastructure, introducing novel financial services, fostering financial literacy, consolidating institutions, and strategically leveraging these policies to close gaps in financial inclusion, and adapt to and mitigate climate change-related risks.

Source: Published by www.orfonline.org Aug 18, 2023. Click here to access full article.

Photo credits: www.readwrite.com

ARBITRATION IN FINTECH AGE: RESOLVING DISPUTES IN DIGITAL FINANCIAL TRANSACTION

Arbitration is becoming a mainstream part of digital finance and the Fintech Age. This dispute-resolution process incorporates both traditional methods and advanced technologies to ensure that customer issues are quickly addressed and resolved as soon as possible. Companies can benefit from the services provided by arbitration firms or build their own arbitration platforms to keep up with this trend.

However, some challenges, such as government legislation and funding allocation, may arise when using arbitration services. By adopting smart technologies to streamline the arbitration process and learning about the various aspects of full-service dispute resolution, companies can be well prepared for future conflict resolution processes in the Fintech age.

Source: Published by www.readwrite.com Aug 28, 2023. Click here to access full article.

Photo credits: Canva

HOW ARE CLIMATE, FINANCIAL INCLUSION & FINANCIAL STABILITY LINKED?

In Lagos, a large Nigerian microfinance institution has started screening clients based on geography. If they live in parts of the city prone to flooding, instead of receiving a loan, they are advised to move to another area.
Halfway around the world in California, the largest insurer in the United States has stopped offering property insurance across the entire state due to the increasing risk of wildfires.

The two contexts could not be more different, but the phenomenon is the same: financial inclusion is receding due to climate change.
Climate change and environmental degradation can affect financial inclusion in three distinct ways: through physical risk, transition risk, and unintended consequences.
On the other hand, inclusive climate regulation can drive a virtuous cycle of growing resilience and financial stability (see illustration below). If those at the margins of the financial system can afford to insure themselves against shocks, invest in green technology, and adapt to climate change, they will increase their resilience. A more resilient economy in turn reduces the risks facing the financial sector, enhancing stability.

Source: Published by www.cgap.org Aug 15, 2023. Click here to access full article.

DATA VISUALIZATIONS

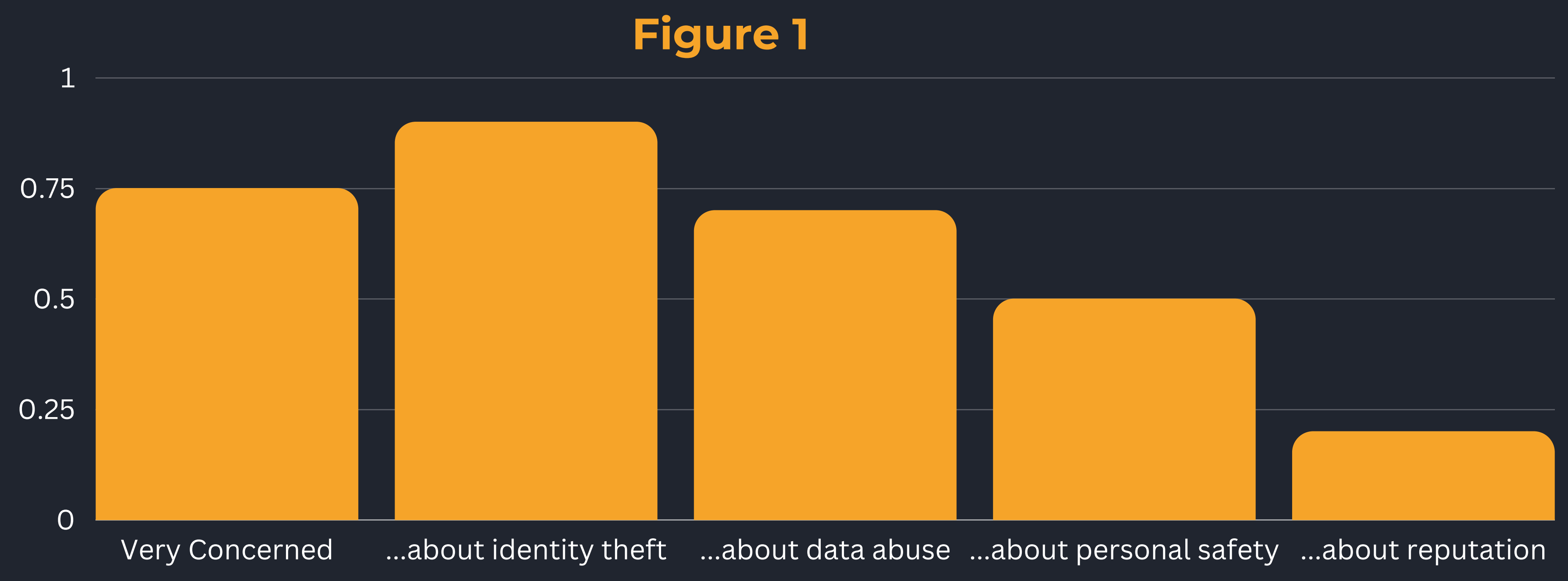
PRIVACY REGULATION, FINTECH LENDING, AND FINANCIAL INCLUSION

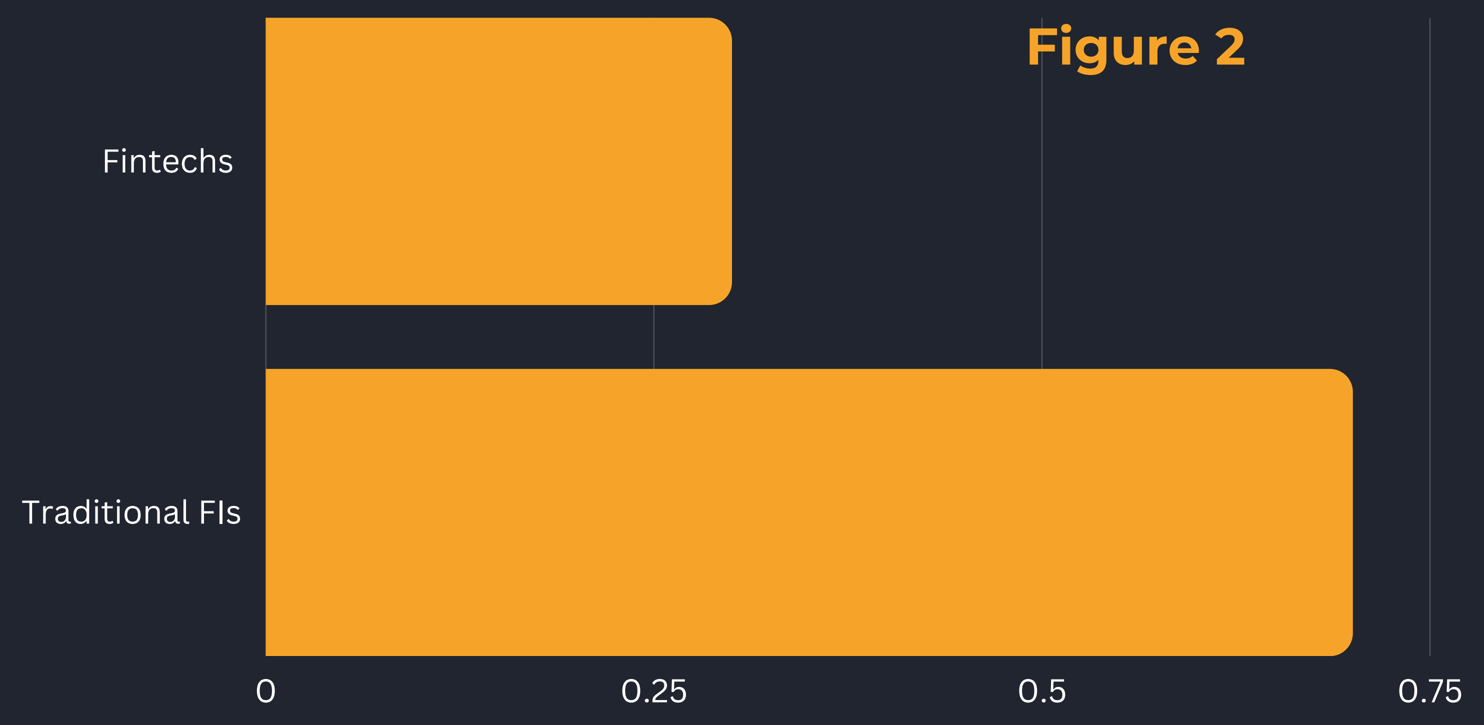
Increasing numbers of countries are introducing privacy legislation to protect users' data. But while consumers value their privacy and protection from potential misuse of data, fintech firms often rely on personal data to innovate and provide new products and services.

There is mounting evidence, however, that consumers dislike sharing their personal data as seen in Figure 1.

In addition, consumers care about whom they share their data with. As shown in Figure 2, US households have significantly less confidence in fintechs than other financial intermediaries.

Regulators designing privacy-protection regulation hence face a challenging trade-off. Limiting or even prohibiting the collection of personal data protects consumers' privacy, but risks reducing the availability and quality of data-intensive services. At the same time, the absence of a regulatory framework that addresses privacy concerns can also impede fintech development.





Source: Published by www.cepr.org Aug 16, 2023. Click here to access full article.

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