FINDEV CYBERLETTER

47TH EDITION

Compiled and Designed by Aamna Asif, Research Executive at Gallup Pakistan

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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 47th issue of the FinDev Cyberletter series (For September). 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

SBP grants approval to five digital retail banks

Fourth G20 Global Partnership for Financial Inclusion Meeting Wraps Up in Mumbai
GPFI members agreed to continue working towards the vision of universal financial inclusion under the new G20 Financial Inclusion Action Plan.

Exploring PayPal's Foray into Cryptocurrency: A Game-Changer in Digital Finance

Record-Breaking Investment: Fuze Paves the Way for MENA's Digital Finance Future
Abu-Dhabi-headquartered Fuze, a digital asset infrastructure solutions, has received a seed round investment of US$14 million

Brac, Silatech partner to promote self employment through financial inclusion for 684,000 youths in Bangladesh

'Responsible Finance' is Not Responsible if it's Not Gender-Intentional
"Women don't need to be educated – bankers do!"

Is AI Intelligent Enough to Bolster Business Intelligence?

How a new financing pact can help climate-vulnerable countries
Despite the massive challenges ahead, establishing a new climate-ready global financial architecture remains feasible

NEWS ROUNDUP

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

SBP GRANTS APPROVAL TO FIVE DIGITAL RETAIL BANKS

In a move to drive financial inclusion and expand access to affordable digital financial services, the State Bank of Pakistan (SBP) has issued In-Principle Approval (IPA) to establish five digital retail banks. These pioneering institutions include HugoBank Limited, KT Bank Pakistan Limited, Mashreq Bank Pakistan Limited, Raqami Islamic Digital Bank Limited, and Telenor Microfinance Bank Limited.

SBP Deputy Governor, Dr Inayat Hussain welcomed the participants and explained that the IPAs would enable proposed DRBs to achieve operational readiness in various functions, including governance, risk management, compliance, consumer protection

Photo Credits: ARY News

Source: Published by www.tribune.com.pk Sept 21, 2023. Click here to access full article.

FOURTH G20 GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION MEETING WRAPS UP IN MUMBAI

The Fourth G20 Global Partnership for Financial Inclusion (GPFI) Meeting which was held in Mumbai from September 14-16, 2023 concluded today. The three day meeting saw G20 GPFI delegates engaging over thought provoking discussions on energizing growth for MSMEs, empowering consumers through digital financial literacy and consumer protection as well as key priority areas of GPFI, namely, digital financial inclusion and SME Finance.

GPFI members agreed to continue working towards the vision of universal financial inclusion under the new G20 Financial Inclusion Action Plan.

Photo Credits: DAWN

Source: Published by www.smestreet.in Sept 17, 2023. Click here to access full article.

EXPLORING PAYPAL'S FORAY INTO CRYPTOCURRENCY: A GAME-CHANGER IN DIGITAL FINANCE

PayPal's venture into the digital currency market represents a pivotal moment in the financial technology industry. This step has the potential to initiate groundbreaking innovations in crypto services, from hosting crypto wallets to providing advanced trading tools. As PayPal navigates through the complex terrain of regulatory compliance, it paves the path for other fintech companies to follow suit, promoting widespread acceptance of digital currencies in everyday transactions.
However, the future of these services will be contingent upon evolving regulations, necessitating PayPal's agile adaptation.

Photo Credits: CryptoPotato

Source: Published by www.cryptopotato.com Sept 15, 2023. Click here to access full article.

HUAWEI RELEASES WHITE PAPER "STRIDING TOWARDS AN INTELLIGENT WORLD" FOR THE FINANCIAL INDUSTRY

In the white paper, It proposes suggested actions financial institutions can take to build agile, resilient, and intelligent infrastructure that will put them one step ahead of the game. Looking towards the future, Huawei has put forward the "MEGA" target architecture (multi-DC-as-a-computer, E2E experience, green, and autonomous). It helps financial institutions comprehensively upgrade technologies by synergizing storage, computing, optical, network, cloud, and data, accelerating intelligence for both businesses and services.

Through various case examples, the white paper illustrates how financial institutions can train large models that integrate data and AI to enable smart applications such as real-time risk control and intelligent interaction.

Photo Credits: Huawei Enterprise

Source: Published by en.prnasia.com Sept 22, 2023. Click here to access full article.

RECORD-BREAKING INVESTMENT: FUZE PAVES THE WAY FOR MENA'S DIGITAL FINANCE FUTURE

Photo Credits: SME10X

Abu-Dhabi-headquartered Fuze, a digital asset infrastructure solutions, has received a seed round investment of US$14 million, making it the largest-ever seed investment in a digital assets startup in the Middle East and North Africa [MENA] region.

Fuze's platform allows banks, fintech firms, and traditional enterprises to seamlessly offer regulated digital asset products through their native applications. It was founded by a team of seasoned experts in fintech, traditional finance [TradFi], and decentralised finance [DeFi].

With the MENA region's digital asset market currently valued at US$566 billion and experiencing a robust 48 percent year-over-year growth, Mohammed Ali Yusuf, CEO and co-founder of Fuze, sees the Middle East as the ideal hub to establish a digital asset infrastructure enterprise.

Source: Published by www.sme10x.com Sept 24, 2023. Click here to access full article.

BRAC, SILATECH PARTNER TO PROMOTE SELF EMPLOYMENT THROUGH FINANCIAL INCLUSION FOR 684,000 YOUTHS IN BANGLADESH

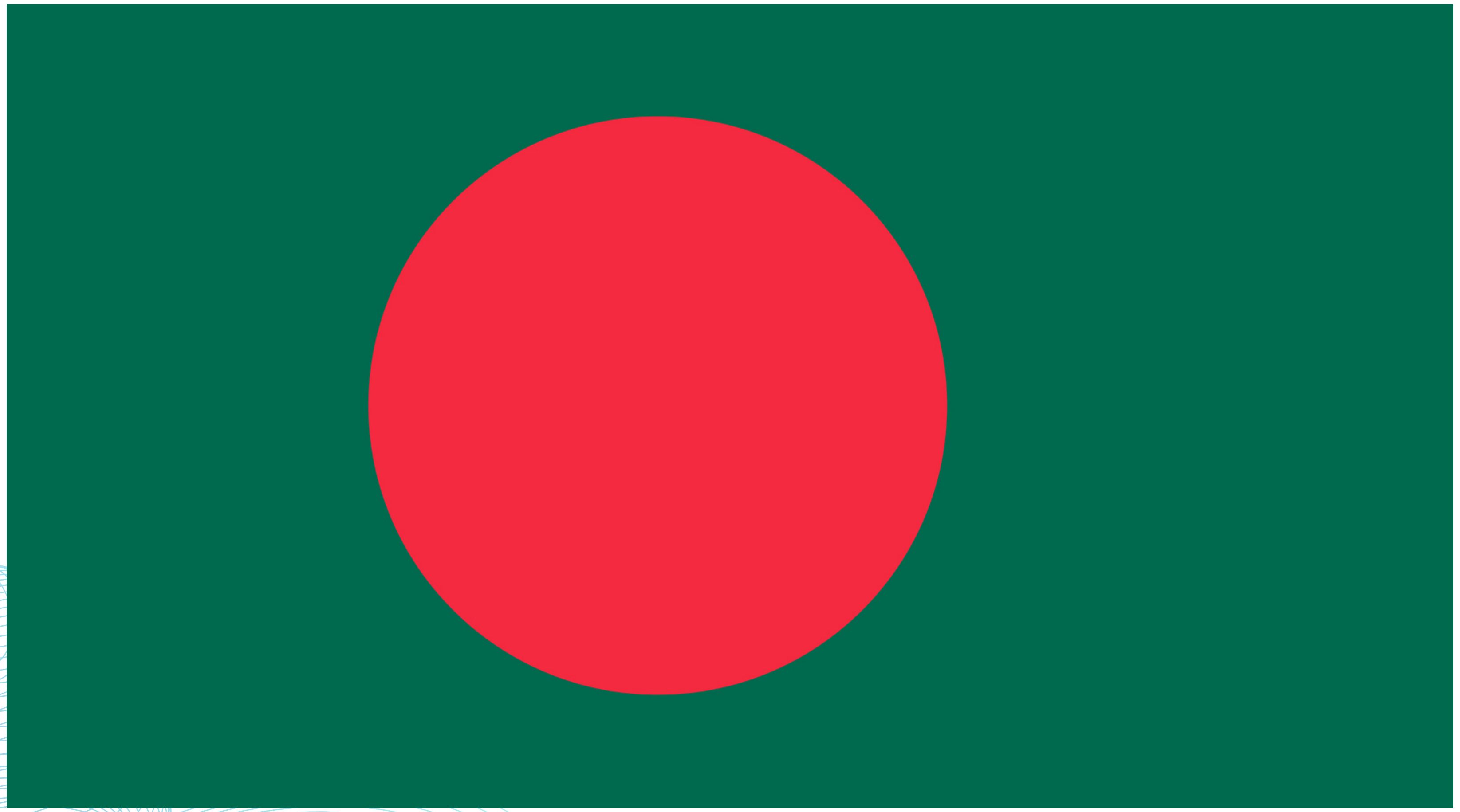


Photo Credits: Canva

Silatech has announced a partnership with Brac, the world's largest development organisation, to promote youth income generation through financial inclusion and unlock access to finance for 684,212 youth in Bangladesh to become self-employed.

The project, Unlocking Financial Solutions for Youth Enterprise Development was signed on the sidelines of the 78th edition of the United Nations General Assembly (UNGA) in New York today (17 September 14:30 hrs New York time).

It aims to address the lack of access to traditional financing resources for the youth of Bangladesh who seek to sustain, start, or expand their income-generating ventures.

Source: Published by www.tbsnews.net Sept 18, 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.

‘RESPONSIBLE FINANCE’ IS NOT RESPONSIBLE IF IT’S NOT GENDER-INTENTIONAL

Photo Credits: BlueOrchard

“Women don’t need to be educated – bankers do!”
— Chetna Sinha, Founder/Chairperson, Mann Deshi Bank

The RFF, a global convening platform on responsible inclusive finance, met in person for the first time in four years, bringing together leaders from around the world to discuss key issues in responsible finance. Sinha’s comment, made during one of the featured panel discussions, highlights the importance of understanding and addressing the normative and structural barriers that keep women excluded and underserved in the financial sector. We need to invest more in understanding the unique risks women face and ensuring product design and redress mechanisms help to mitigate these risks, especially for digital financial services (DFS). The reality is, it’s not so much about changing women’s behavior, rather, it’s about changing the system.

Source: Published by www.centerforfinancialinclusion.org Sept 14, 2023. Click here to access full article.

IS AI INTELLIGENT ENOUGH TO BOLSTER BUSINESS INTELLIGENCE?

Business intelligence (BI) – using data about business performance, behavior, the market, etc. to make informed business decisions – is a bedrock of successful digitization in the microfinance sector and elsewhere. Customer data dashboards are a key business intelligence tool for microfinance institutions (MFIs), allowing them to leverage existing data and improve understanding of their customers' behavior. However, these dashboards require concerted time and effort to analyze the data they provide, leading us to ask, could better AI tools ensure MFIs, regardless of size and resourcing, are able to glean insights from customer data dashboards and other business intelligence tools?

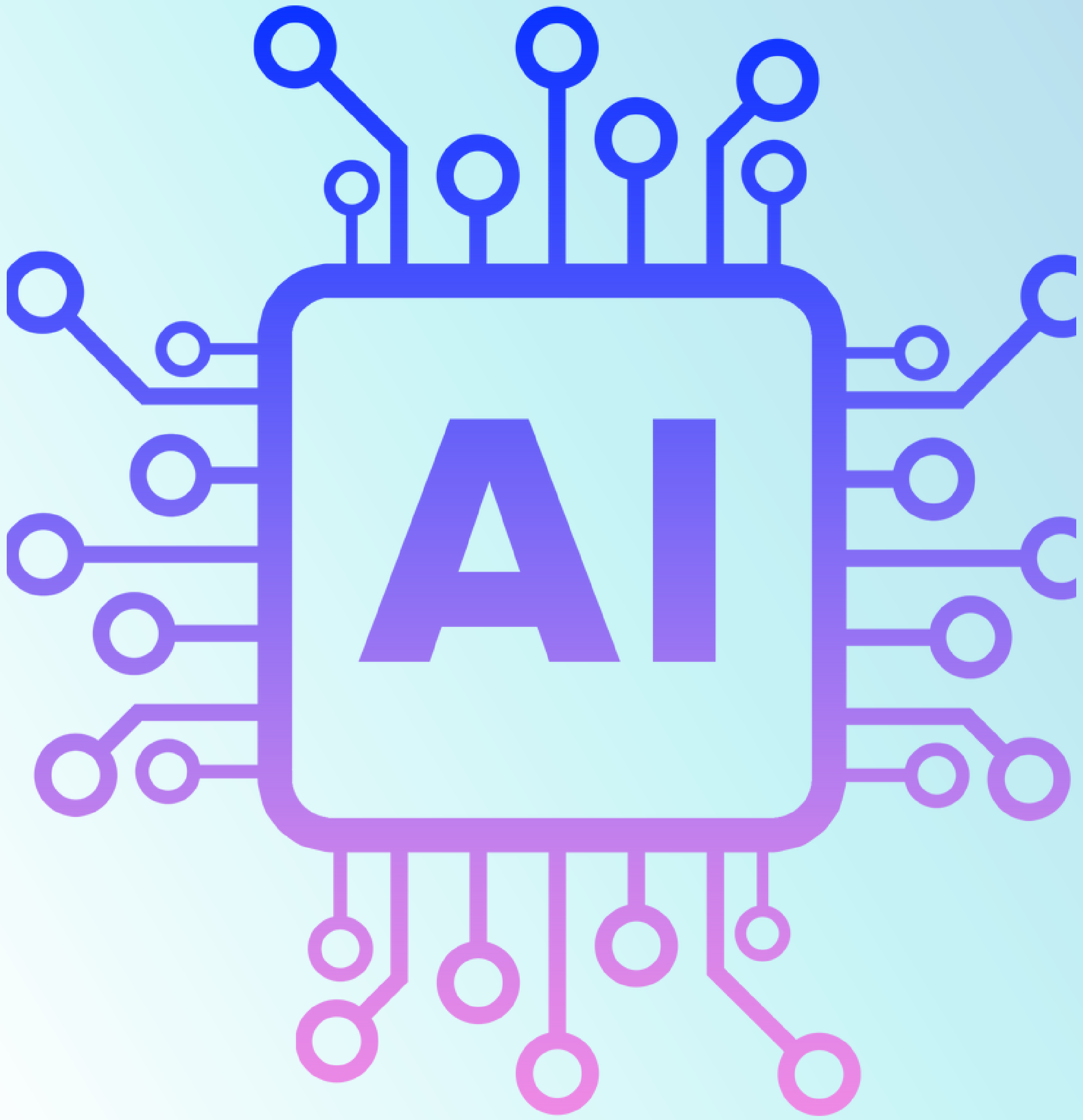


Photo Credits: Canva

Source: Published by www.cgap.org Sept 19, 2023. Click here to access full article.

Photo Credits: GSMA

MAKING PROGRESS ON THE SDGS WITH MOBILE MONEY

Mobile Money, a digital wallet and payment service that does not require a bank account, has the potential to lift a wide swath of people out of poverty. It provides financial digital connectivity in low-and middle-income countries – a critical determinant of a country's growth and development – and is a key tool for solving socio-economic and environmental challenges. Mobile Money majorly contributes to the Sustainable Development Goals (SDGs), a group of global goals signed up to by 193 UN member countries, that are a blueprint for peace and prosperity for people and the planet. To maximise its socio-economic impact, Mobile Money needs to sustainably reach people at the bottom of the economic pyramid. Conducive tax regimes can mean a wider impact on people's livelihoods and greater ability for the 193 signatory countries to reach the SDGs.

Source: Published by www.gsma.com Sept 11, 2023. Click here to access full article.

HOW A NEW FINANCING PACT CAN HELP CLIMATE-VULNERABLE COUNTRIES

Amid an escalating climate emergency and a global debt crisis, calls for a new "fit for climate" global financial architecture are growing louder throughout the developing world. The urgent need for decisive action has been underscored by Barbadian Prime Minister Mia Mottley's Bridgetown Initiative, the V20 group of climate-vulnerable countries, and the recent Paris Summit for a New Global Financing Pact. This week's Africa Climate Summit in Nairobi presented a unique opportunity to promote much-needed measures to support low-income countries in pursuing sustainable growth. Despite the massive challenges ahead, establishing a new climate-ready global financial architecture remains feasible. By working together and ensuring that all countries pay their fair share, the international community could bridge political divides and achieve tangible progress toward ensuring a habitable world.

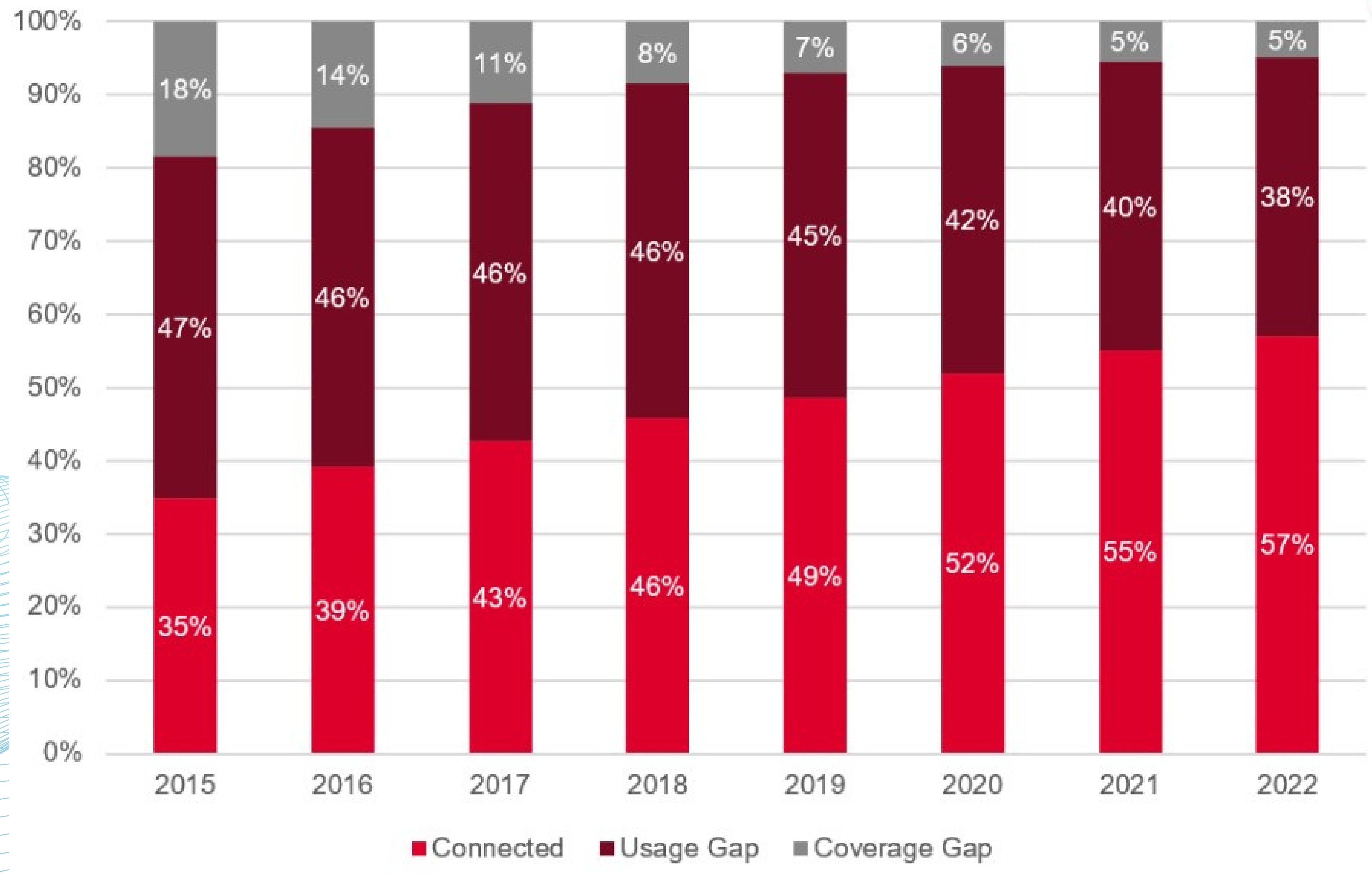
Photo Credits: Khaleej Times

Source: Published by www.blogs.worldbank.org Sept 11, 2023. Click here to access full article.

DATA VISUALIZATIONS

SLOWDOWN IN MOBILE INTERNET CONNECTIVITY CALLS FOR URGENT ACTION

Our new analysis shows that at the end of 2022, 4.6 billion people, were using mobile internet – up from 35% in 2015. Although 200 million people came online in the past year, this represents a slowdown in the growth of



mobile internet users compared to 2021 and 2020, when 300 million new users went online each year.
Just over three quarters of the growth in mobile internet in 2022 came from low- and middle-income countries (LMICs), where 95% of the unconnected population live.

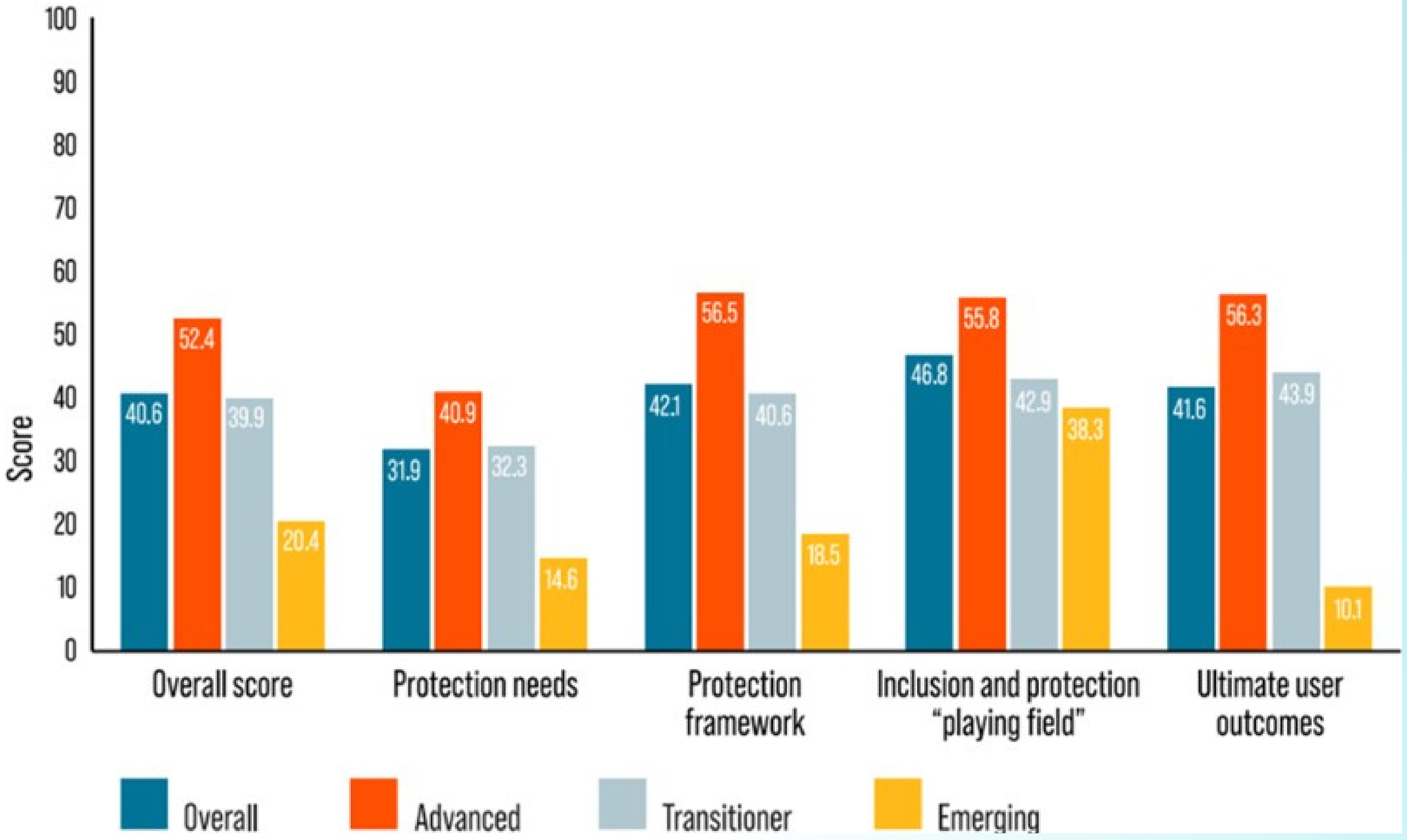
Source: Published by www.gsma.com Sept 11, 2023. Click here to access full article.

A FAIR DIGITAL FINANCE MARKET FAILURE: WHAT A RECENT CONSUMER PROTECTION INDEX REVEALS

The fair digital finance index (and the resulting report) presents the results for sets of country clusters rather than at an individual country score level.

- Advanced Countries scored above 66.67 on the overall index.
- Transitioner Countries scored above 33.33.
- Emerging Countries scored below 33.32.

The index findings highlight significant gaps in financial consumer protection from the point of view of the consumer – with the average total index score coming to just 40 out of a possible 100.



Source: Published by www.findevgateway.org Sept 01, 2023. Click here to access full article.

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