Findev Cyberletter

53rd Edition

Compiled & Designed by Niha Nazar, 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 53rd issue of the FinDev Cyberletter series (For March). 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

Market Insights for Inclusive Growth – Her Fintech Edge

Unlocking the potential of digital financial services (DFS) is crucial for women's financial inclusion and empowerment.

Mobilink Bank and Bizb Partner to Drive Financial Inclusion, Empowering Women Micro Entrepreneurs

Financially Including Young Women: Gains for a Generation

The period between 15 and 24 years of age is a pivotal time for financial services adoption – potentially presenting a high-impact opportunity to close the gender gap.

Nayapay and FWO Partner to Digitize M-Tag Payments in Pakistan

After pioneering the digitization of toll payments through M-Tag, Frontier Works Organization (FWO) has teamed up with NayaPay to simplify recharging your M-Tag within seconds.

State of Financial Inclusion: SBP Highlights Financial Gender Gap

Inaugural event sets the stage for a nationwide campaign to promote financial literacy and improve financial inclusion

SBP Grants EMI License to PSO Subsidiary

The State Bank of Pakistan (SBP) has granted a license to the fully-owned Subsidiary of Pakistan State Oil (PSO), Cerisma Pvt Limited, for setting up an Electronic Money Institution (EMI).

NEWS ROUNDUP

THIS SECTION COVERS THE LATEST HAPPENINGS FROM THE REALM OF FINANCIAL INCLUSION AND DIGITAL FINANCE

Market Insights for Inclusive Growth - Her FinTech Edge

Unlocking the potential of digital financial services (DFS) is crucial for women's financial inclusion and empowerment. While barriers to access persist, fintech companies have emerged as key players in bridging this gap. However, limited research exists on how fintech companies are delivering on their promise and what practices lead to success. This study addresses these gaps, drawing on a survey of 114 fintech companies across 17 countries as well as interviews with 25 industry leaders.

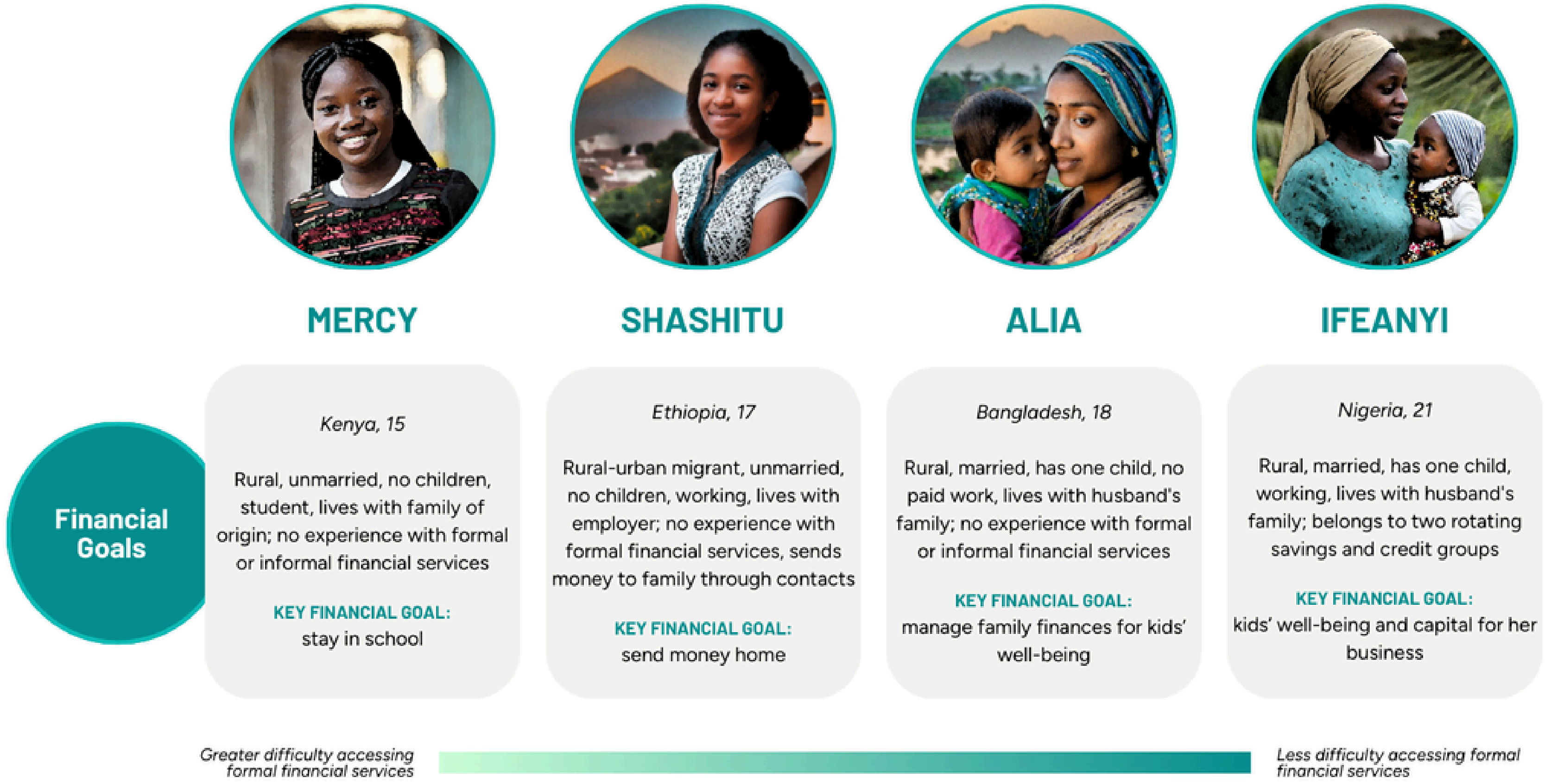
The study explores the representation of women within fintech portfolios and the factors influencing it. It investigates whether fintech firms actively target women customers and the strategies they employ. Additionally, it examines the performance of women customers compared to overall portfolios, considering loyalty, customer lifetime value, and default rates.

SOURCE: PUBLISHED BY WWW.IFC.ORG. 14TH MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

Financially Including Young Women: Gains for a Generation

Despite an overall positive trend, the gender gap in financial inclusion remains stubbornly persistent in some parts of the world. To understand what gives rise to this gender gap and how it evolves over time, CGAP and the Bill & Melinda Gates Foundation (BMGF) have been independently analyzing Global Findex data to identify drivers, patterns, and trends.

This blog series presents the results of those analyses – first, with an overview of factors associated with financial inclusion for young women and men across low-income economies, then with a deep-dive into three East African countries, and finally by reviewing our findings on the dynamics of young women's financial exclusion. Together, these analyses show that the period between 15 and 24 years of age is a pivotal time for financial services adoption – potentially presenting a high-impact opportunity to close the gender gap.



SOURCE: PUBLISHED BY WWW.CGAP.ORG. 18TH MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

State of Financial Inclusion: SBP Highlights Financial Gender Gap

On Monday 04, 2024, the Governor State Bank of Pakistan (SBP) Jameel Ahmad inaugurated the first-ever Pakistan Financial Literacy Week (PFLW) at an event at SBP Karachi.“This is a first-of-its-kind endeavor in Pakistan champion financial literacy and inclusion on a national scale”, remarked Ahmed in his keynote address.

The event was attended by Presidents and CEOs of commercial banks, senior officials from the World Bank, Alliance for Financial Inclusion, and other stakeholders.

In his keynote address, the Governor said that SBP fully recognises access to financial services as a fundamental right, and SBP’s mission is to empower every citizen by providing them with the tools and knowledge needed to participate fully in the economy.

SOURCE: PUBLISHED BY WWW.PROFIT.PAKISTANTODAY.COM.PK. 5TH MARCH 2024. 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

Mobilink Bank and BizB Partner to Drive Financial Inclusion, Empowering Women Micro-Entrepreneurs

Mobilink Bank has partnered with BizB, a leading marketplace in Pakistan, welcoming the company as a 'Brand Ambassador Organization,' to drive financial inclusion and bolster women micro-entrepreneurs nationwide.

This symbiotic partnership strives to offer easily accessible financial services and support the endeavours of female entrepreneurs in the growing e-commerce landscape. Through this partnership, women micro-entrepreneurs under BizB's W-Empower will not only have access to a platform for buying and selling preloved apparel but will also enjoy the full range of features provided by the Dost App, ensuring smooth and convenient transactions.

SOURCE: PUBLISHED BY WWW.NATION.COM.PK. 13TH MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

NayaPay and Frontier Works Organization (FWO) Partner to Digitize M-Tag Payments in Pakistan

After pioneering the digitization of toll payments through M-Tag, Frontier Works Organization (FWO) has teamed up with NayaPay to simplify recharging your M-Tag within seconds. This initiative is in collaboration with One Network (ONPL), which specialises in the digitalisation of Intelligent Traffic Systems (ITS), Electronic Toll Collection (ETC) and M-Tag services on motorways. The agreement was signed by Mr. Danish A. Lakhani, CEO of NayaPay, and Brig Asif Siddique (Retd.), Director IT FWO, in the presence of senior executives from NayaPay, One Network and FWO.

NayaPay, a leading E-Money Institution in Pakistan, enables users to open E-money accounts on their smartphones in a few simple steps and take control of their finances. Users can now recharge their M-Tags through the NayaPay app at no additional cost, ensuring that every journey is smooth, secure, and hassle-free for motorists.

SOURCE: PUBLISHED BY WWW.NAYAPAY.COM. 15TH FEBRUARY 2024. CLICK HERE TO ACCESS FULL ARTICLE

SBP Grants EMI License to PSO Subsidiary

Pakistan State Oil

PSO stepped up to strengthen its business in the financial sector after prolonged consideration of utilizing its wide network of retail outlets and presence of point-of-sale functions across the country. To address the business environment and meet customer needs, PSO has established its presence in the fintech sector by incorporating Cerisma (Pvt.) Limited, a non-banking finance company. This entity will be responsible for executing and expanding the existing fintech operations and exploring new ventures, the annual report stated.

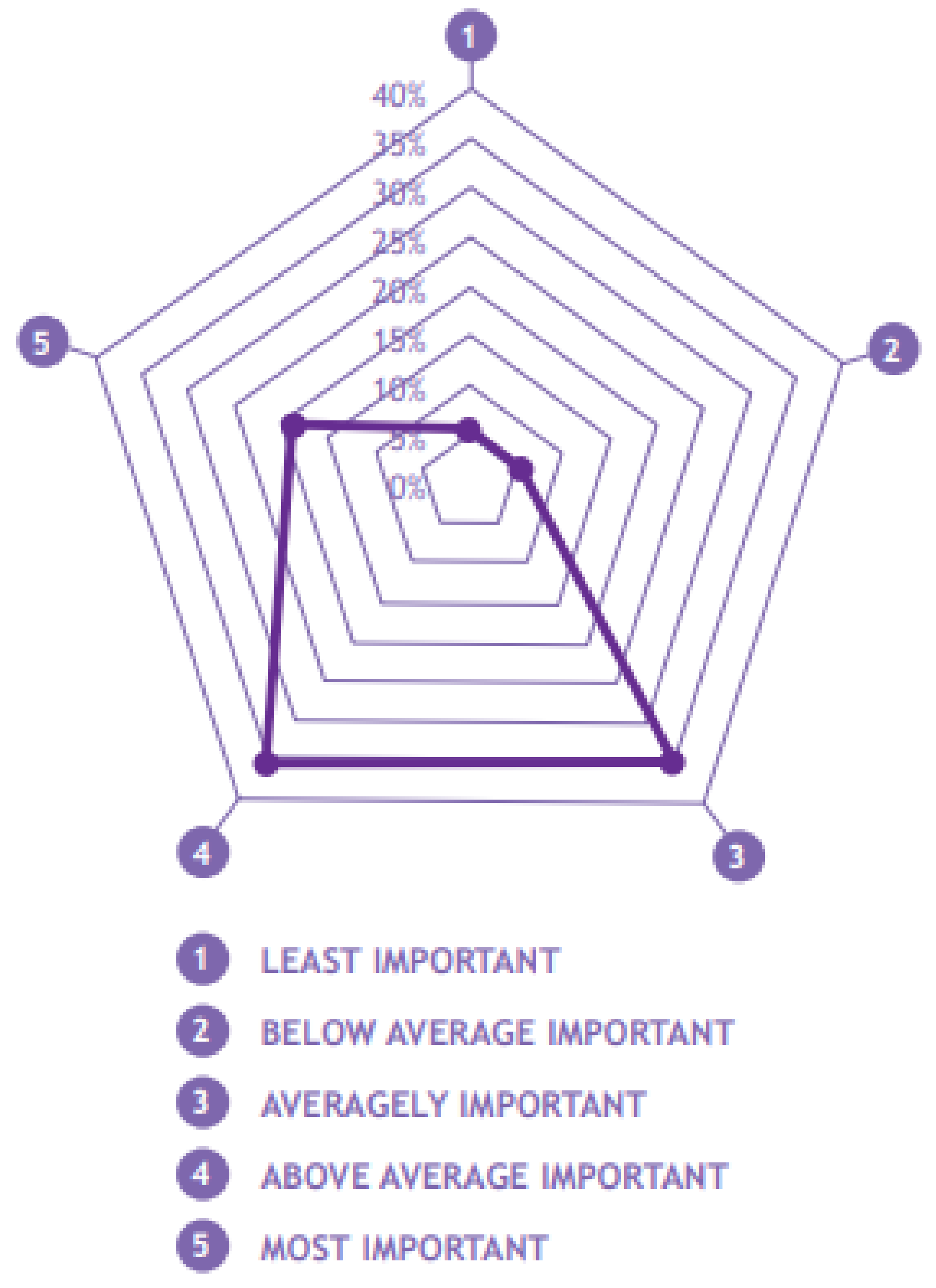
SOURCE: PUBLISHED BY WWW.PROPAKISTANI.PK. 30TH MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

DATA VISUALIZATION

Islamic Finance and Financial Inclusion: AFI Members' Perspectives

These findings suggest a positive recognition of the role Islamic finance can play in addressing financial inclusion challenges, and highlight the need for further exploration and integration of Islamic finance mechanisms into national strategies and policies for inclusive financial systems. While some view Islamic finance as a crucial tool for expanding access to formal financial services, aligning with religious and cultural beliefs, and providing alternative financing options, there are also instances where Islamic finance is not currently part of the financial landscape or not widely recognized as a tool for enhancing financial inclusion. Some of these sentiments are expressed in the survey findings

FIGURE 4. RELATIVE IMPORTANCE OF ISLAMIC FINANCE FOR FINANCIAL INCLUSION

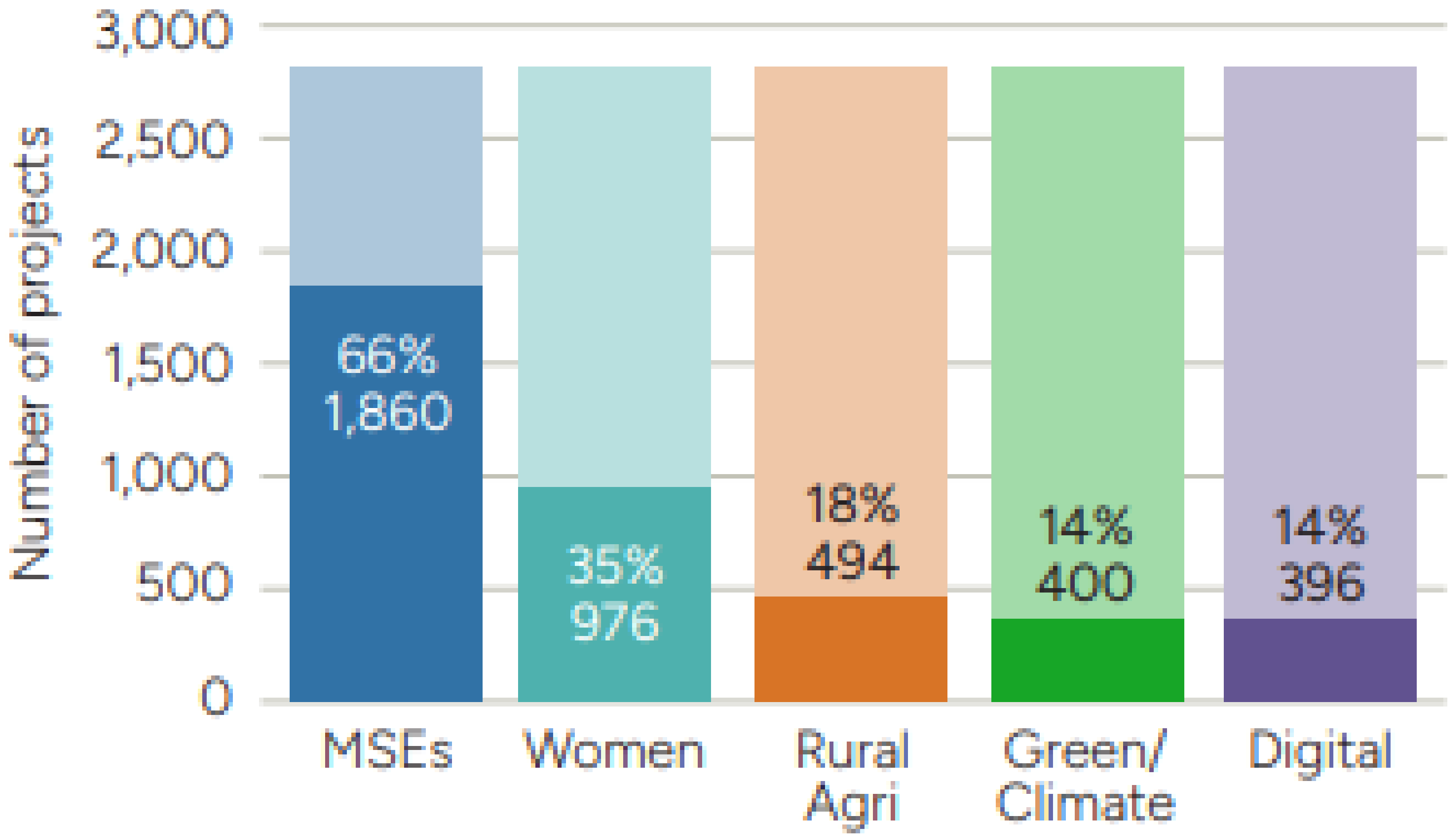


Source: AFI Survey: Islamic Finance and Financial Inclusion

SOURCE: PUBLISHED BY WWW.AFI-GLOBAL.ORG. 22ND APRIL 2024. CLICK HERE TO ACCESS FULL ARTICLE

2022 Trends in International Funding for Financial Inclusion

FIGURE 5. **Top five themes tagged in financial inclusion projects, 2022**



Note: Projects may be tagged to more than one theme.

Source: CGAP Funder Survey 2022, n=30 funders and 2,801 projects. To explore data in greater detail, please see http://cgap.org/fundersurvey.

SOURCE: PUBLISHED BY WWW.CGAP.ORG. MARCH 2024. CLICK HERE TO ACCESS FULL ARTICLE

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