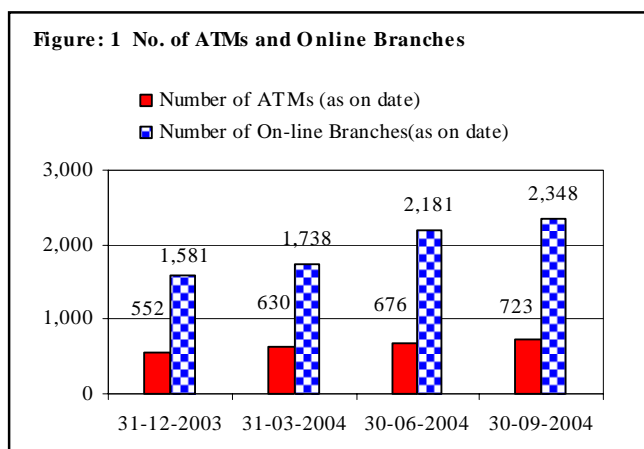


PAYMENT SYSTEMS DEPARTMENT

Status Report on E-Banking in Pakistan Quarter 1, 2004-05

ATMs & Online Banking Network

E-banking infrastructure in Pakistan continued to grow with the pace of 7 percent in the first quarter of the fiscal year 2004-05 in line with the growth in the previous quarter. Consolidated data of the present quarter shows that banks have installed 47 new ATMs as compared to 46 during the previous quarter, bringing the total number of ATMs to 723 (**Figure 1**). The online branch network of the banks expanded by 167 branches during the



quarter as compared to 443 branches in the previous quarter bringing the total of online branch network to 2348 branches. Bank wise position of both ATMs and online branches as on 30-09-2004 is given in the Annexure 2.

To further facilitate the customers Payment System Department has reviewed and approved the proposal of two commercial banks for the installation of third party ATMs on strategic places.

Number of Cardholders

Number of ATM cardholders is also expanding day by day. Total number of ATM Cardholders during the previous quarter was '1,599,922' while it struck the figure of '1,701,032' in the current quarter. Likewise the number of Debit Cardholders has reached to '1,468,836' during the current quarter as compared to '1,189,956' in the previous quarter. Moreover, the number of Credit Cardholders was '659,391' during the previous quarter which increased and reached to the figure of '729,382' in the current quarter.

Transactions

Monthly average of the number of transactions has maintained the previous growth momentum of around 17 percent while the monthly average of amount of transactions has reflected a remarkable growth of 22.15 percent during the current quarter as compared to 15.5 percent in the previous quarter (**Figure 2, Annexur 1**). Similarly the number of transactions on an ATM per day rose to 100 during the quarter as compared to 92 per day in the previous quarter.

In the same way inter-switch transactions have shown enormous growth during the current quarter of Jul-Sep 2004 both in number and amount of transactions as compared to the previous quarter ended on 30-06-2004(**Figure 3**). Inter-switch transactions on both the sides (1-Link&MNet), particularly of MNet, have improved tremendously during the current quarter.

Oversight

Payment Systems Department initiated dialogue with Switch Operators i.e. MNet and 1-Link to improve inter switch connectivity. Both the operators have agreed to take a number of measures to improve performance. Further SBP has also initiated to monitor 1) ATM down time 2) number of days taken to credit the amount to customer's account in case of account debited without cash disbursement 3) number of incidence of stuck cards in machines and advised all the banks to communicate the above mentioned variables for the quarter Oct-Dec 2004.

Cyber Crimes Bill

The ministry of IT has placed "Electronic Crimes Bill 2004" on their website for feedback, which has been examined in consultation with Legal Department. A comprehensive list of suggestions for inclusion in the said bill has been forwarded to the Director Legal, Ministry of IT. The proposed bill covers besides others the electronic fraud, electronic forgery, system and data damages. The enactment of this law will help boost e-commerce in the country.

Figure: 2 Monthly Averages of ATM transactions during the period

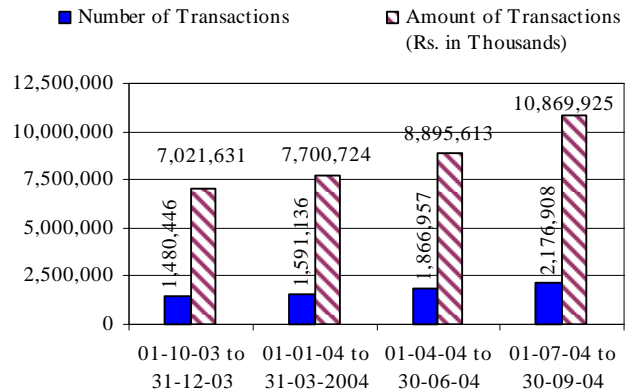
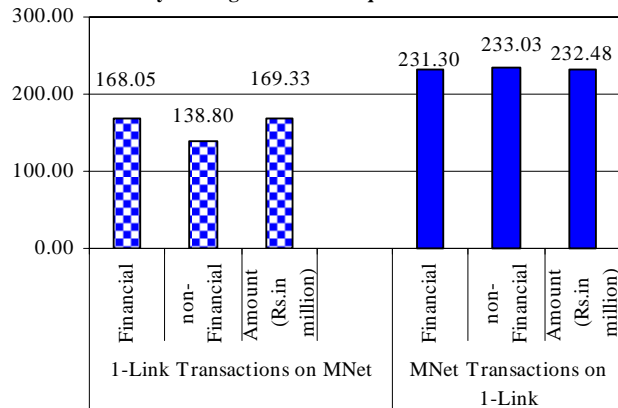


Figure: 3 Growth performance of inter-switch connectivity during the current quarter



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Director
13-11-2004