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## CEO's Message

Greetings!

I am pleased to share quite a few accomplishments in this quarter. Karandaaz won the award for the Most Innovative Business 2020. The award was announced by Pakistan Banking Awards and was handed by Governor State Bank of Pakistan, Dr. Reza Baqir over in a special ceremony held in Karachi. We are truly humbled and more resolute than ever to continue our mission of all Pakistanis to be more inclusive and economically empowered.

Just recently, Raast - Pakistan's Instant Payment System developed through a partnership between Karandaaz and the State Bank of Pakistan was also launched at a high-level event attended by the Prime Minister of Islamic Republic of Pakistan, Imran Khan; UN Secretary-General's Special Advocate for Inclusive Finance for Development, Queen

Maxima of Netherlands; British High Commissioner to Pakistan, Dr. Christian Turner CMG; and Governor State Bank of Pakistan, Dr. Reza Baqir. Co-chair Bill & Melinda Gates Foundation, Bill Gates sent a special video message for the launch read by the CEO of the Bill & Melinda Gates Foundation Mark Suzman. In the message, Bill Gates especially appreciated the efforts of Karandaaz in turning this visionary financial infrastructure into a reality for Pakistan.

On the capital side, Karandaaz partnered with InfraCo Asia and GuarantCo to establish a first-of-its-kind infrastructure credit enhancement facility in the country called InfraZamin Pakistan. InfraZamin will fill current gaps in local credit markets in order to catalyze greater private sector participation in long-term, local currency financing of infrastructure. Shortly after the launch, the first milestone in strengthening the institution was achieved by the appointment of Ms. Maheen Rahman as InfraZamin's Chief Executive Officer. I am confident that under her able leadership, InfraZamin will soon be up on its feet and start playing its due role in strengthening Pakistan's economy. Karandaaz also launched an ongoing Digital Experiments Program to support entities such as mobile money operators, fintechs, and startups in the field of digital financial services. We also launched the second round of the annual Financial Inclusion of Women Challenge and I would urge innovators in the digital financial services space to partner with Karandaaz and play their part in bringing unserved and underserved populations into the folds of the formal financial sector through the use of technology.

Karandaaz also produced some important research publications in this quarter. If you want to learn more about Pakistan's digital potential, the legal framework for startups, or get the latest insights into the digital financial inclusion eco-system then our publications section on the website is the place to visit.

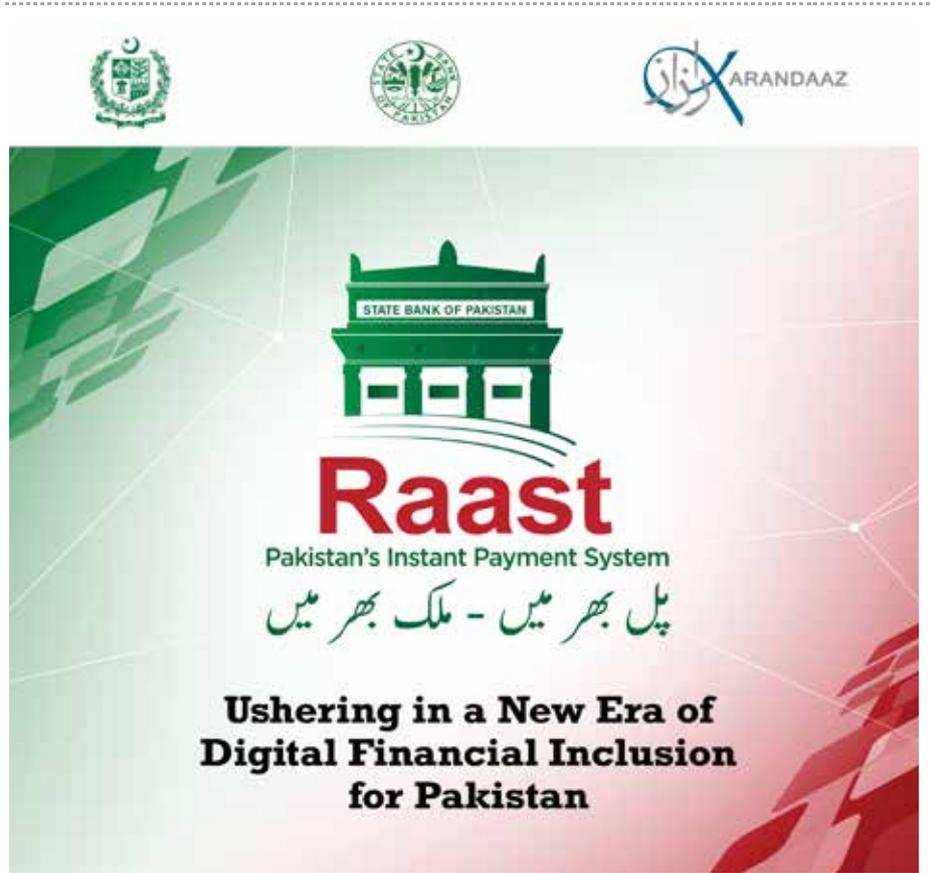
Wishing you and your family a happy and blessed 2021.

Ali Sarfraz  
CEO, Karandaaz Pakistan

# Newsflash

## ► Karandaaz supports State Bank of Pakistan to launch Pakistan's Instant Payments System 'Raast'

Karandaaz supported Instant Payment System for Pakistan 'Raast' was launched at a high-level event attended by the Prime Minister of Islamic Republic of Pakistan, Imran Khan; UN Secretary-General's Special Advocate for Inclusive Finance for Development, Queen Maxima of Netherlands; British High Commissioner to Pakistan, Dr. Christian Turner CMG; Governor State Bank of Pakistan, Reza Baqir; and CEO Karandaaz Ali Sarfraz. Co-chair Bill & Melinda Gates Foundation, Bill Gates sent a special video message for the launch read by the CEO of the Bill & Melinda Gates Foundation Mark Suzman. This instant payments system is a core component of the National Financial Inclusion Strategy to significantly augment prospects of digital financial services and increase financial inclusion to 50% of the adult population in the country, reduce reliance on cash and drive the provision and uptake of digital payments, especially among low-income households and small merchants. Raast will enable transfer of payments digitally in a fast, low-cost, and secure manner. Raast will also make it possible for banks and other payment service providers to offer more innovative products and services and revolutionize the digital financial landscape in Pakistan.



*UN Secretary-General's Special Advocate for Inclusive Finance for Development, Queen Maxima of Netherlands said,*

“ I am delighted to be here today for the launch of the pro-poor Micropayments Gateway, Raast, and to congratulate you on the draft 'Banking on Equality Policy'. These are important milestones on the journey to a more inclusive financial system and to a digital economy that works for everyone. This is particularly significant for vulnerable segments—such as women and the poor, and especially during this Pandemic. These groups have been disproportionately affected by COVID-19, in part because they were already underserved prior to the pandemic. Based on the last Global FINDEX data from 2018, men in Pakistan were roughly five times more likely than women to have an account and, of the poorest 40% of the population, just 14% had an account. We know that financial inclusion has a pivotal role to help people deal with the health and economic crisis caused by COVID-19, and to assist them in exploring new opportunities. So these figures provides us an indication of the challenges lying ahead. ”

*In his message read by the CEO of the foundation Mark Suzman in a recorded video, Bill Gates, Co-Chair of Bill & Melinda Gates Foundation said,*

“ Pakistan has achieved an impressive reduction in extreme poverty but there is so much more work to do to ensure more people have the chance to live a healthy and productive life and are included in the economy. That is why I am thrilled that Raast is launching after so much hard work and collaboration between the State Bank and our partner Karandaaz. I hope that in years to come, we will look back and see this new digital public good as an important contribution to our shared goal of giving all people the tools they need to lift themselves out of poverty. Our foundation is happy to support efforts towards accelerating digital financial inclusion in Pakistan just like our efforts to eradicate polio and for the Ehsaas poverty alleviation program. Thank you and congratulations on a successful launch. ”

Speaking about the instant payments system, Chairperson Karandaaz Pakistan, Dr. Shamshad Akhtar said,

“ Over the coming months, Raast will gradually expand use cases as it resolves the challenges such as complex, cumbersome, and time-consuming integration of digital payments, and constraints posed by limited direct debit facility and enable the central bank’s system to offer bulk credit services, open APIs that will result in alias based payments allowing account agnostic push-based instant transactions. All these features will help generate more innovation in the digital financial services sphere and we are hopeful that Pakistan will soon achieve the goals set in the National Financial Inclusion Strategy. Raast is an ISO 20022 format compliant system and allows new products and services which were previously hampered due to legacy messaging. This milestone achievement will have a ripple effect and positively influence multiple other Sustainable Development Goals in the country due to its positive impact. ”

Raast will be at the center of the digital payment ecosystem in Pakistan and will connect merchants, businesses and SMEs, and consumers to banks, microfinance banks, fintechs, payment service operators and providers, and government entities. This connection that is currently missing will be possible through the internet, phones, mobiles, and agents now that a central payments gateway to make high volume low value digital payments possible has been put in place.

### ► Karndaaz Pakistan wins the award for “Most Innovative Business” at the Pakistan Banking Awards



Karandaaz Pakistan won the award for the Most Innovative Business 2020. The award was announced by Pakistan Banking Awards in a ceremony held in Karachi on the 9th of January, 2020. Ms. Farwa Hasnain, Director Operations, received the award on behalf of Karandaaz from Governor State Bank, Mr. Reza Baqir. Karandaaz would like to thank Institute of Bankers, Dawn and A.F Ferguson & Co, Chartered Accountants - Member Firm of PWC.

Pakistan Banking Awards was launched in 2016 by the Institute of Bankers Pakistan in collaboration with Dawn Media Group and A.F Ferguson. It is a platform for recognizing outstanding performances, innovation and contribution within the financial sector of Pakistan.

## ► InfraCo Asia Investments and Karandaaz establishes first-of-its-kind infrastructure credit enhancement facility InfraZamin Pakistan

InfraZamin Pakistan is an innovative, for-profit credit enhancement facility funded with equity capital from InfraCo Asia Investments and Karandaaz Pakistan, provided by the United Kingdom's Foreign, Commonwealth and Development Office (FCDO). On 5 November 2020, InfraCo Asia, via its subsidiary Indus Guarantees Pte Ltd, and Karandaaz executed a shareholder agreement, setting into motion the operationalisation of the facility.

As an initiative of the Private Infrastructure Development Group (PIDG) InfraZamin aims to fill current gaps in the local credit markets, in order to catalyse greater private sector participation in long-term, local currency financing of infrastructure in Pakistan. InfraZamin will do so by providing guarantees to enhance the credit quality of local currency debt instruments to finance creditworthy infrastructure projects in Pakistan.



The first-of-its-kind in Pakistan, InfraZamin was conceived and designed after extensive market study and engagement with the Securities & Exchange Commission of Pakistan and follows on from GuarantCo's experience with the successful creation and operationalisation of a similar facility in Nigeria, InfraCredit Nigeria. InfraZamin leverages the prior experience of InfraCo Asia and GuarantCo in supporting infrastructure projects in Pakistan, as well as Karandaaz's local market knowledge and track record of investments focused on supporting financial inclusion. Incorporated as a private limited company, InfraZamin will operate on a commercial basis guided by international best practices and local governance standards. Its Board of Directors will include representatives of InfraCo Asia (through Indus Guarantees), Karandaaz, and GuarantCo.

*On the potential of InfraZamin Pakistan, Allard Nooy, CEO of InfraCo Asia and prospective Chair of the InfraZamin Board said,*

“As a specialised credit enhancement facility focused on infrastructure in Pakistan, we see significant potential for InfraZamin to ‘crowd-in’ underused pockets of liquidity in Pakistan’s financial markets. PIDG Companies GuarantCo and InfraCo Asia bring with them deep expertise and significant infrastructure and credit enhancement capabilities that will help unlock these opportunities for InfraZamin. ”

*Speaking about InfraZamin Pakistan, Ali Sarfraz, CEO Karandaaz Pakistan said,*

“Pakistan spends only 2.1% of its GDP on infrastructure as opposed to 8%-10%, leading to widening infrastructure deficit. InfraZamin Pakistan will not only unlock capital thus boosting much needed investments in infrastructure but also add to the sophistication of Pakistan’s financial architecture. The additional investments will support economic growth, create jobs, and ultimately reduce poverty besides invigorating Pakistan’s capital markets through cutting edge financial instruments. We are delighted to partner with InfraCo Asia and GuarantCo in setting up this innovative structure and look forward to its success. ”

*Lasitha Perera, CEO of GuarantCo said,*

“GuarantCo is proud to have developed the ground-breaking InfraZamin initiative and to be partnering with two highly experienced investors InfraCo Asia and Karandaaz in its operationalisation. The Islamic financing market has a growing appetite for safe asset classes which can act as an alternative to investing in sovereign securities. InfraZamin will be a game-changer for the country in the balanced development of Pakistan’s capital markets and the wider economy. ”

Speaking about the UK's assistance for InfraZamin Pakistan, Annabel Gerry, Head of Development at FCDO in Pakistan said,

“ I am very proud that UK is setting up the first market-based credit enhancement facility for infrastructure finance in Pakistan. It is an innovation in the market and will help unlock much needed infrastructure financing opportunities for a wide range of projects in the country. InfraZamin will create jobs, alleviate poverty and boost economic growth in the long run. ”

Philippe Valahu, CEO of the Private Infrastructure Development Group said,

“ PIDG is delighted to see this initiative established in Pakistan. InfraZamin presents a significant opportunity for Pakistan to finance the critical infrastructure needed to fuel economic growth, especially in view of the COVID-19 pandemic and its impacts. ”

InfraZamin is expected to start operations in early 2021 based on a fully committed capital structure, with core equity provided by Indus Guarantees as 60% shareholder and Karandaaz as 40% shareholder, and GuarantCo providing a contingent capital facility. PIDG Technical Assistance has also provided a technical assistance grant for pre-operationalisation expenses in relation to InfraZamin.

### ► Maheen Rahman appointed as CEO of first-of-its-kind, PKR 12.4bn credit enhancement facility InfraZamin Pakistan

Following an extensive search and competitive selection process, the stakeholders of InfraZamin Pakistan, namely Karandaaz Pakistan, and the Private Infrastructure Development Group (PIDG) companies InfraCo Asia Investments and GuarantCo, have appointed Ms Maheen Rahman as the company's Chief Executive Officer. Ms Rahman, whose appointment as InfraZamin CEO will take effect on 1 January 2021, brings with her over twenty years of experience in investment banking, research and asset management.

A recently launched initiative of PIDG, InfraZamin Pakistan is an innovative, for-profit credit enhancement facility developed by GuarantCo in partnership with PIDG's financial advisor Cardano Development. InfraZamin Pakistan will be funded with PKR 4.125bn (approx. USD 25m) equity capital from InfraCo

Asia Investments and Karandaaz Pakistan, provided by the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), and a contingent capital facility of up to PKR 8.25bn (approx. USD 50m) from GuarantCo.

InfraZamin aims to fill current gaps in the local credit markets in order to catalyse greater private sector participation in long-term, local currency financing of infrastructure in Pakistan. InfraZamin will do so by providing guarantees to enhance the credit quality of local currency debt instruments which finance creditworthy infrastructure projects in Pakistan across sectors including renewable energy, digital communications, water and wastewater treatment, social infrastructure (such as affordable housing, hospitals) and more. By reducing credit risk, InfraZamin's guarantees are expected to 'crowd-in' private sector capital to boost much needed investments in infrastructure and add to the sophistication of Pakistan's financial architecture. Pakistan currently spends only 2.1% of its GDP on infrastructure, leading to a widening infrastructure deficit. The additional investments unlocked by InfraZamin are expected to support economic growth, create jobs and improve access to essential infrastructure such as housing, clean energy and clean water supply for underserved populations in Pakistan.



Prior to her appointment as InfraZamin Pakistan's CEO, Ms Maheen Rahman served as the Chief Executive of Alfalah GHP Investment Management where, under her leadership, Alfalah Investments has grown to be one of the largest asset management companies in Pakistan. Ms Rahman brings a diverse range of experience and a deep familiarity with Pakistan's capital markets and the financial sector.

*Ms Maheen Rahman said,*

“InfraZamin represents a new opportunity for greater development of innovative solutions for infrastructure financing in Pakistan. I am excited to be able to lead this initiative and contribute towards socially responsible infrastructure development that seeks to have a positive impact on communities and the country.”

Ms Rahman assumes the role as CEO of InfraZamin Pakistan subject to the approval of the Securities & Exchange Commission of Pakistan (SECP). Incorporated as a private limited company, InfraZamin will operate on a commercial basis guided by international best practices and local governance standards. Its Board of Directors will include representatives of InfraCo Asia Investments (through Indus Guarantees), Karandaaz, and GuarantCo.

### ► Karandaaz Digital Experiments Supporting Innovation in Digital Financial Services

Karandaaz Pakistan with the support of Bill & Melinda Gates Foundation (BMGF) and UK's Foreign, Commonwealth and Development Office (FCDO) is running a Digital Experiments Program to support the digital financial service (DFS) players. This program facilitates the private sector institutions to undertake experiments using the A/B testing research technique to address the barriers related to uptake and active usage of digital accounts. This is an ongoing program and interested DFS providers such as mobile money operators, fintech, and startups working in the realm of DFS can apply at any time through Karandaaz website <https://bit.ly/3e4BKIQ>.



A special focus of these experiments is on testing ideas, products, services, and incentive structures that can accelerate the uptake by excluded and underserved segments, especially rural women. The key areas of interest for the experiments are the conversion of inactive/non-users to active users through variation in communication strategies; increase in user's engagement on digital accounts by product level changes; testing of price elasticity on payment transactions by end-users; and promotion of mobile account usage by conducting financial inclusion focused experiments, especially targeting women.

Under this program, Karandaaz supported an experiment with Hysab Kytab, a fintech that provides digital financial management solutions for individuals and banks. As part of the experiment, Hysab Kytab developed a tailored version of the application for women through an intricate design and communication strategy.

*Ali Sarfraz, CEO Karandaaz Pakistan said,*

“Karandaaz is actively seeking to forge more partnerships with market players offering digital financial services. Under its Digital Experiments Program, we encourage our selected partners to think out of box and offer innovative solutions to spur the uptake and growth of digital financial services. We support our partners with technical and financial resources in making sure that those solutions have an intuitive design for a friendly customer experience and long-term adaptability.”

Rehan Akhtar, Chief Digital Officer of Karandaaz said,

“The overarching goal of this program is to collect the learnings within Pakistan’s context through these experiments and share the insights with other technology brands, enabling them to build DFS for specifically for women. This particular experiment with Hysab Kytab gauged the impact of gender-inclusive design and experience interventions in the mobile application on the adoption and retention of the app by women as well as on the uptake of the DFS in general. ”

Yasir Ilyas, Global Head at Hysab Kytab said,

“ We have discovered that after the inclusion of gender integrated design in our app, there was a sharp decline in user acquisition cost by over 40 percent. Similarly on-boarding success rate went up by 71 to 75 percent between the old and the new user interface and we also saw a 10 percent user conversion rate. This shows how important it is to focus on human-centred designs when developing an ad and we are thankful to Karandaaz for providing us this support and hope that more developers in the technology and digital financial services sector will benefit from the learnings that we were able to gather. ”

Financial inclusion is on the rise globally and the 2017 Global Findex database shows that 1.2 billion adults have obtained an account since 2011, including 515 million since 2014. Between 2014 and 2017, the share of adults who have an account with a financial institution or through a mobile money service rose globally from 62 percent to 69 percent. In developing economies, the share rose from 54 percent to 63 percent. Yet, women in developing economies remain 9 percentage points less likely than men to have a bank account.

### ► Karandaaz Pakistan launch the 2nd round of “Karandaaz Financial Inclusion of Women Challenge”

Karandaaz Pakistan has launched the second round of its annual challenge titled, Karandaaz Financial Inclusion of Women Challenge on 8th October, 2020 in Islamabad. Karandaaz Pakistan has invited applications in two categories to support businesses that not only create financial products but also from the businesses that enable women consumers to adopt Financial Services. The proposed solutions may be in any area within the two defined categories. In Category A, technological solutions that enable and encourage adoption of formal financial Services by the women and should result into large number of women using formal financial services such as Technology enabled solutions, opening a bank account, carrying out online transactions and Accessing a financial service. In Category B, Women centric financial products and channels Creation of Financial Products (credit, savings, insurance, investments, etc.) with an adoption strategy ensuring need of a specific segment of women, access, profitability and reach. Successful applicants will be awarded the grant up to PKR 15 million per winner in order to pilot, test or scale their interventions.



The socio-economic empowerment of women is critical for the sustainable development of Pakistan. Karandaaz Pakistan is practically working towards this goal and soliciting proposals from financial service providers, including digital financial service providers, financial institutions, microfinance institutions, and microfinance banks; research and advisory firms; and other relevant

market players to propose & develop gender-friendly & women-centric financial products and services according to the requirements and inclinations of Pakistani women. Successful applicants will receive funding through the Bill & Melinda Gates Foundation (BMGF) and the UK's Department for International Development (DFID) for implementing their solution based innovative ideas.

Particularly in Pakistan, women lack the basic understanding and access when it comes to adoption of Financial Services that may include: Mobility, Documentation (Availability), Usability (Less Conducive for Women vs Men) and Accessibility (Low Phone Ownership and Marginalization in technology adoption etc.) despite the efforts from the industry on increasing the overall financial inclusion number. Promoting financial inclusion of women is a core vision of Karandaaz; in the pursuance of its vision, Karandaaz invites applications for the second round in two categories to support businesses that not only create financial products but also from the businesses that enable women consumers to adopt Financial Services.

*Ali Sarfraz, CEO Karandaaz Pakistan said,*

“ Since last year, Karandaaz Pakistan, with funding from the Bill & Melinda Gates Foundation (BMGF) is supporting solutions that foster financial inclusion of women in Pakistan through its annual initiative titled as “Karandaaz Financial Inclusion of Women Challenge”. We are once again seeking applications in two categories. Type A applicants will be proposing technology-enabled solutions that's aimed to encourage and enable Pakistani women to adopt formal financial products & services in a convenient way. While on the other hand, type B applicants are welcomed for the Creation of Financial Products (credit, savings, insurance, investments, etc.) with an implementation approach ensuring focused requirements of a specific segment of women's access, profitability and reach. ”

*Rehan Akhtar, Chief Digital Officer at Karandaaz Pakistan said,*

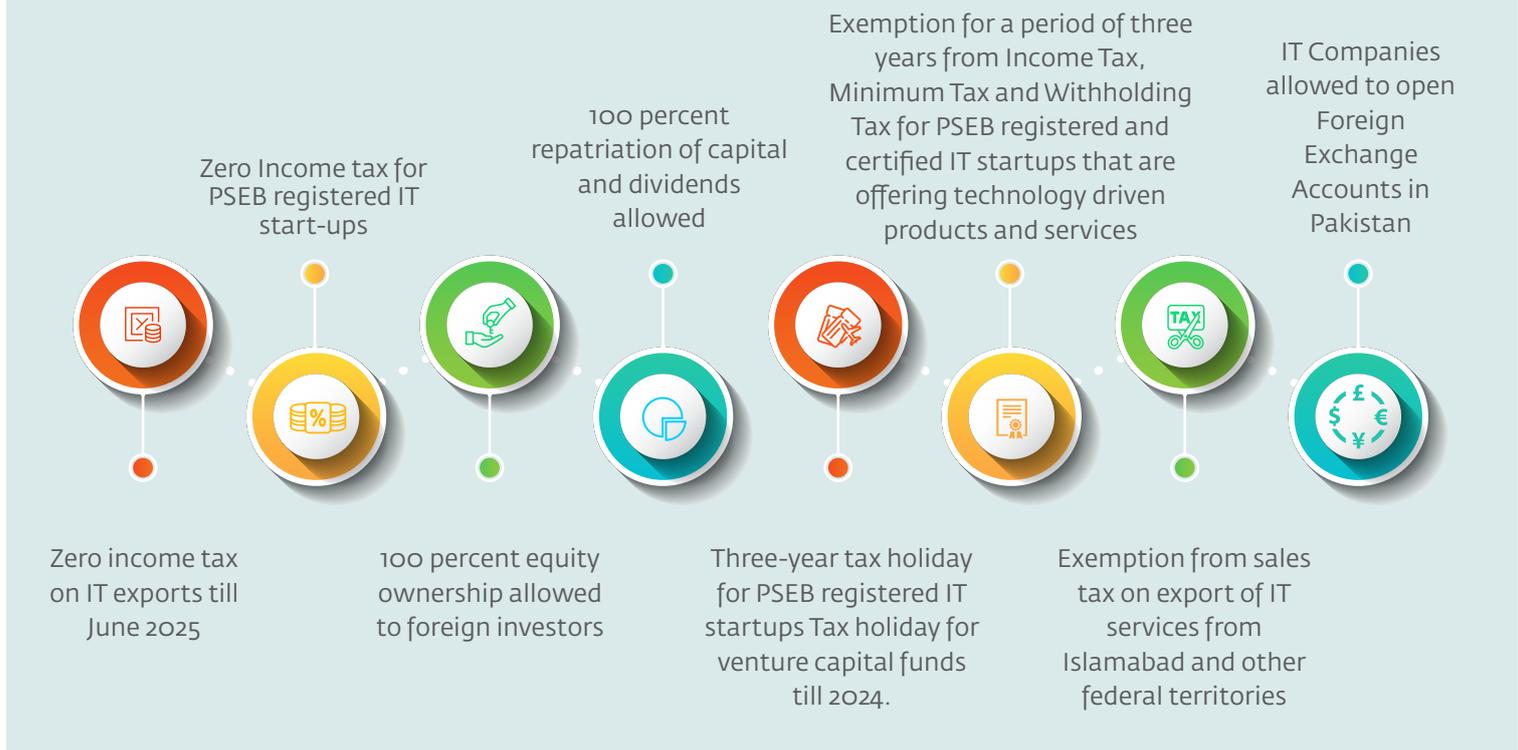
“ With a successful implementation of the round one of “Karandaaz Financial Inclusion of Women Challenge”, this year we are anticipating way more responsiveness & innovativeness from the applicants. The quick and easy access to financial products and services to all the Pakistani women irrespective of their socio-economic conditions is the key theme of this initiative. Entities registered in Pakistan, have to come up with such ideas that contain sheer practicality and adaptability in its nature so that it can be a helpful tool to increase financial inclusion of Pakistani women. Applicants' proposed solutions are expected to lead to reduce the gender gap in financial inclusion by provision of enabling environment for growth of women-led SMEs and economically active women, helping women overcome the hurdles faced by the prevailing systematic discrimination in the financial marketplace & promoting a safer and more inclusive environment in women's finance. ”

# Research Showcase

## ► Digital Potential in Pakistan

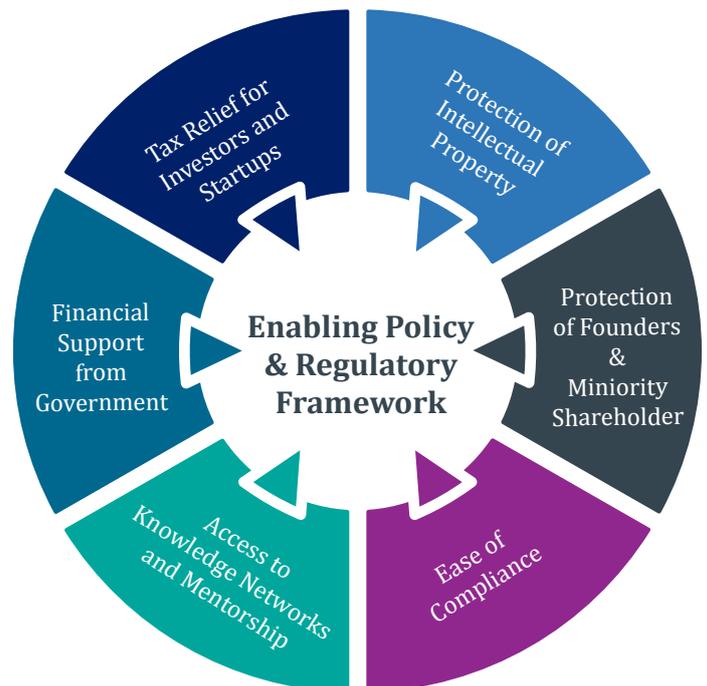
Global growth is increasingly derived from the technological advancement. Information and Communication Technology (ICT) sector is one of the key avenues for entrepreneurial ventures and job creation in both developed and developing economies. Pakistan is no exception. The digital entrepreneurship ecosystem has gained traction in the country in the past decade. It is showcasing potential in innovation; and growing commercial viability is attracting conventional capital in it.

### Fiscal and non-fiscal incentives for IT industry



## ► Legal Framework for Startups in Pakistan?

Startups play a very important role in the modern economy and are vital to its social and economic progress. In addition to the creation of wealth and impact on GDP, startups also have a positive impact on employment. An important feature of startups is their contribution to innovation and competition in the economy through advanced and innovative technological processes, products and services. This policy paper analyzes the legal and policy framework in Pakistan while tracking the changes and amendments that have been made over time to enable startups to thrive. It provides in-depth parallel examples from other countries over the past decade for comparison with the measures taken by Pakistan and puts them into an international context.



## Financial Inclusion Highlights



Overall population of Pakistan has gone up from

**183 million** in 2011 to  
**219 million** in 2020



Overall Financial inclusion number in Pakistan increased by 5 percentage points from

**9%** adults in 2016 to  
**14%** adults in 2017



Access to full-service financial services institutions increased from

**16%** in 2016 to  
**21%** in 2017



Mobile Money Users also increased from

**1%** in 2016 to  
**4%** in 2017

Highlights	2013	2014	2015	2016	2017
Financial Inclusion	8%	7%	9%	9%	14%
Registered Banked Population	7%	7%	7%	9%	11%
Registered Mobile Money Population	0.4%	0.3%	1.0%	0.6%	4.0%

### Gender Gap In Financial Inclusion

The gender gap remains an enormous barrier to women's financial inclusion and economic empowerment; 20% of men are financially included compared to only 7% of women.

**8%** (2014)



**5%** (2015)



**8%** (2016)



**13%** (2017)



## Key Telecom Indicators

The number of cellular subscribers has gone up from

**108 million** in 2011 to

**164 million** in 2019

3G/4G subscribers are approximately

**74 million**



**Cellular Subscription**  
(Teledensity)

**165 million**

**78.16%**  
market share



**3G/4G Subscribers**  
(Penetration)

**76 million**

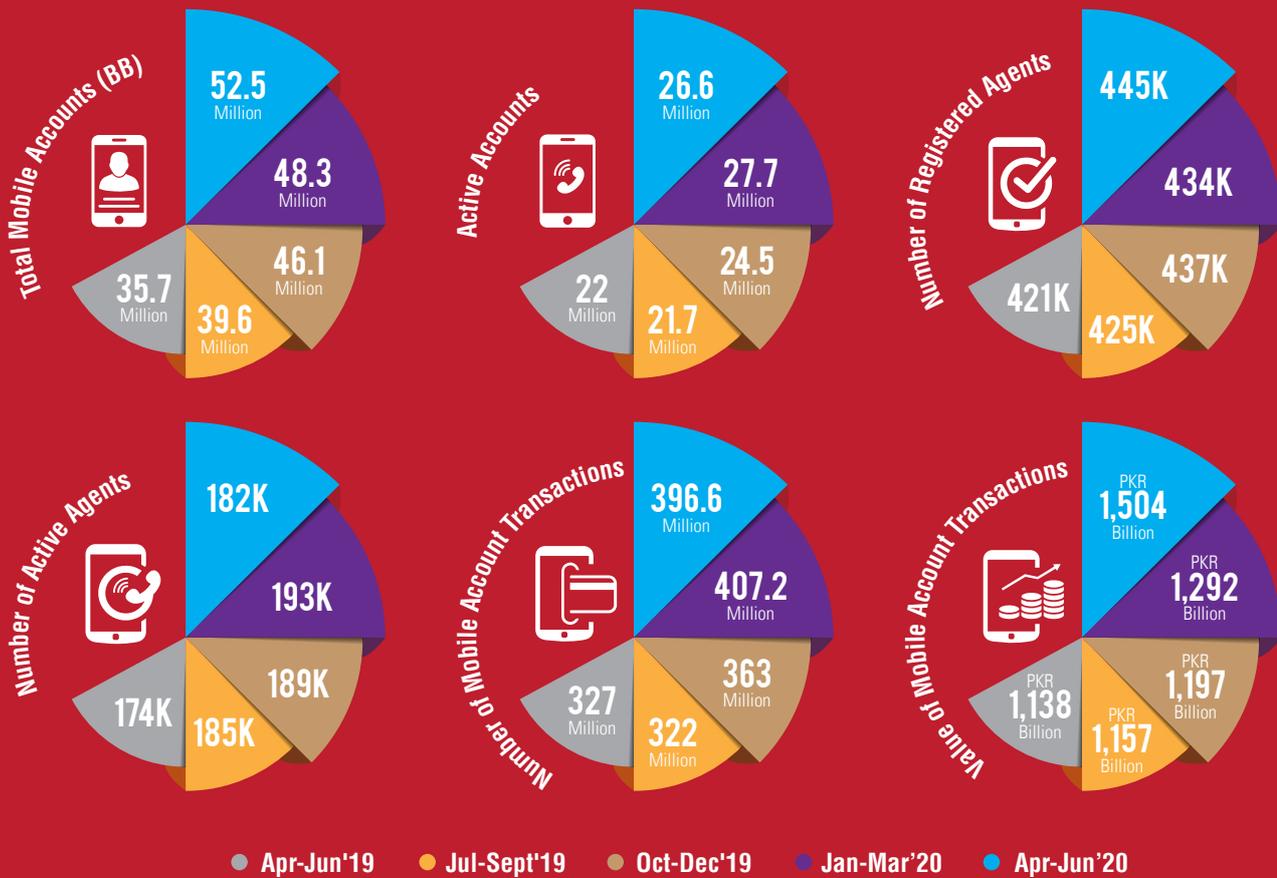
**35.90%**  
market share

	Subscribers	Market Share
	60.4 million	36.58%
	45.5 million	27.63%
	35.7 million	21.64%
	23.3 million	14.16%

\*all figures have been rounded off to nearest hundred

\* Figures are updated as on December 2019

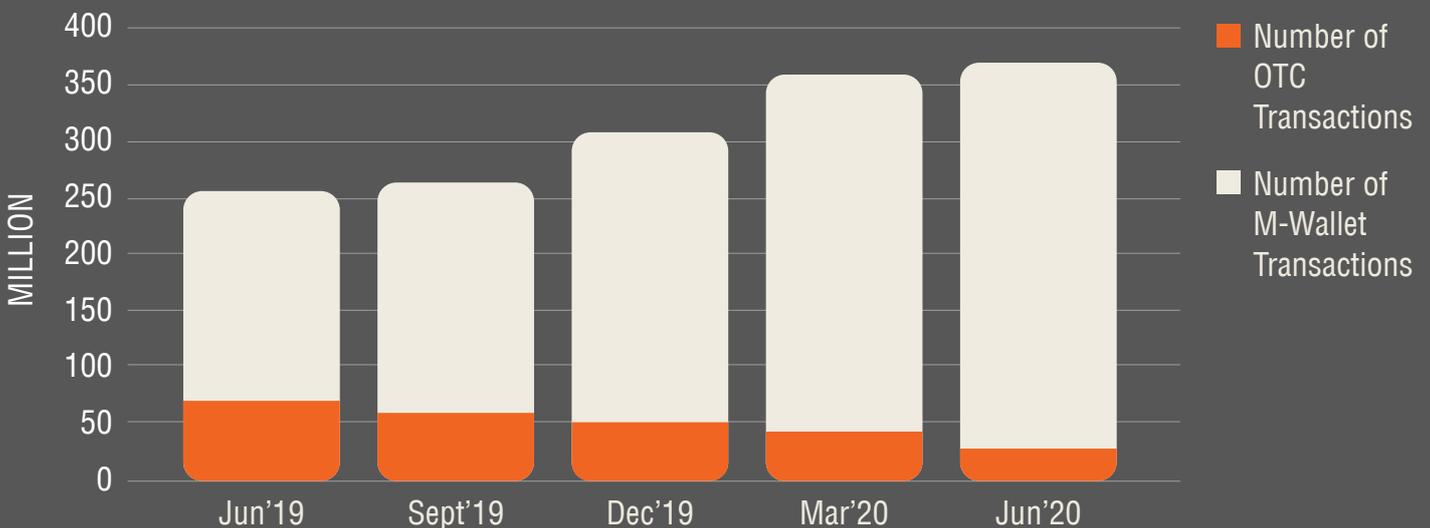
## Branchless Banking Quarterly Highlights



- The number of BB accounts have seen an increase over the quarters with the biggest jump coming in the fourth quarter of 2019 (16% increase compared to Jul-Sep'19 quarter).
- The gender-wise segregation of the accounts reveals that 77.3% of the total BB accounts in Apr-Jun'20 were male-owned while 22.7% were female-owned
- The number of mobile account transactions decreased by 2.7% in the Apr-Jun'20 quarter. However, the total value of the mobile account transactions increased by 14.1% compared to the last quarter.

## Over-the-counter vs Mobile Wallet Transactions

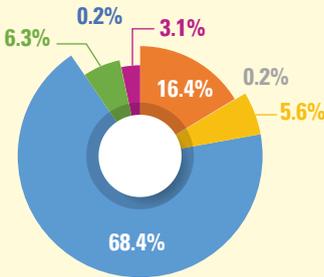
- A total of **366 Million M-wallet transactions** were recorded in the quarter **Apr to Jun'20 vs 27 Million OTC transactions**. The number of OTC transactions have been decreasing with a **39.1% decline** in **Apr-Jun'20 quarter** compared to the **Jan-Mar'20 quarter**.
- The uptake of mobile wallets has been further incentivized through offering lower pricing on wallets as compared to OTC channel by key mobile money operators.



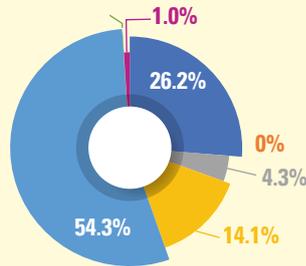
## OTC vs M-Wallet – Volume of Transactions and Value of Transactions (April to June 2020)

## Volume and Value of different types of Branchless Banking transactions

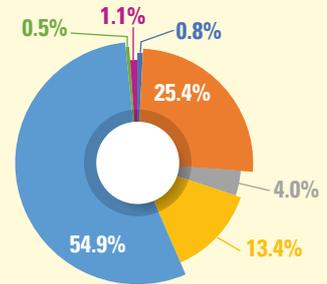
% of total (Volume of Transactions) OTC



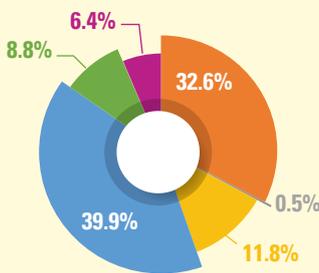
% of total (Volume of Transactions) M-Wallet



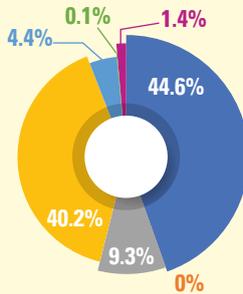
% of total (Volume of Transactions) Apr-Jun 2020



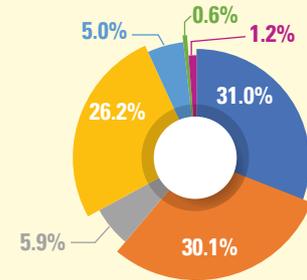
% of total (Value of Transactions) OTC



% of total (Value of Transactions) M-Wallet



% of total (Value of Transactions) Apr-Jun 2020



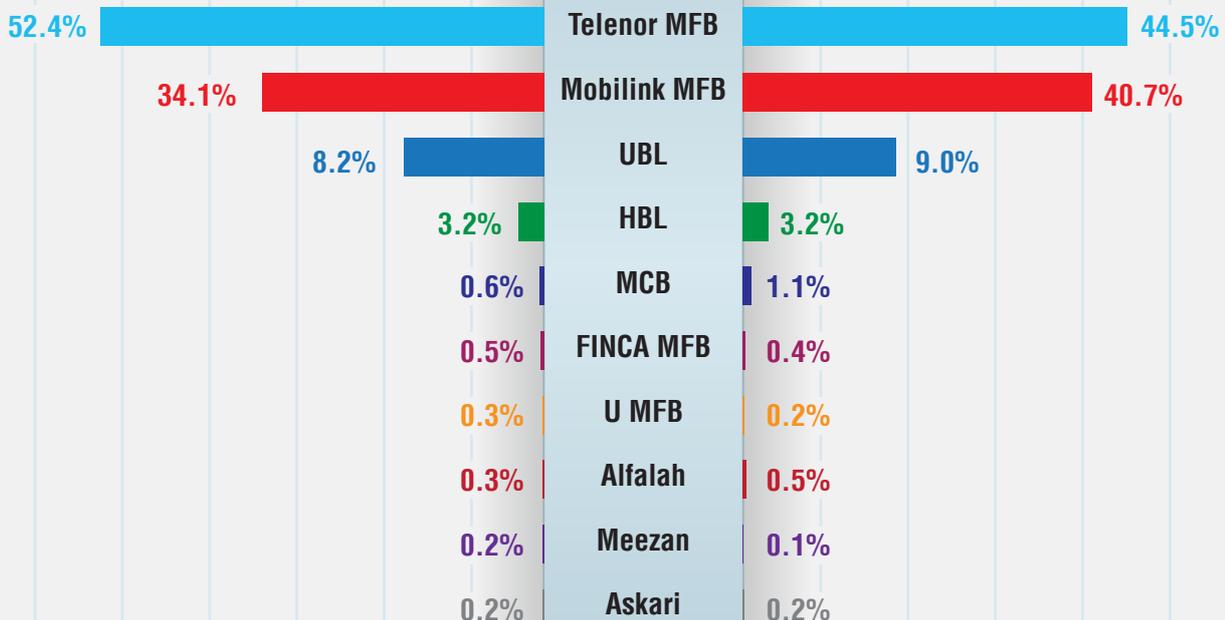
● Agent transfers for liquidity ● Fund transfers ● Bulk payments ● Cash deposit & withdrawal ● Bill payments & top-ups ● Loan ● Others

## Market Share Branchless Banking Accounts (Old Data)

- The mobile money market is primarily led by two players, Easypaisa, pioneer of mobile financial services in Pakistan and Mobilink who entered the MFS market in year 2012.
- In terms of registered branchless banking accounts, Easypaisa's market share is the highest however the percentage of active accounts is higher for Mobilink Microfinance bank

### Registered Accounts % Share

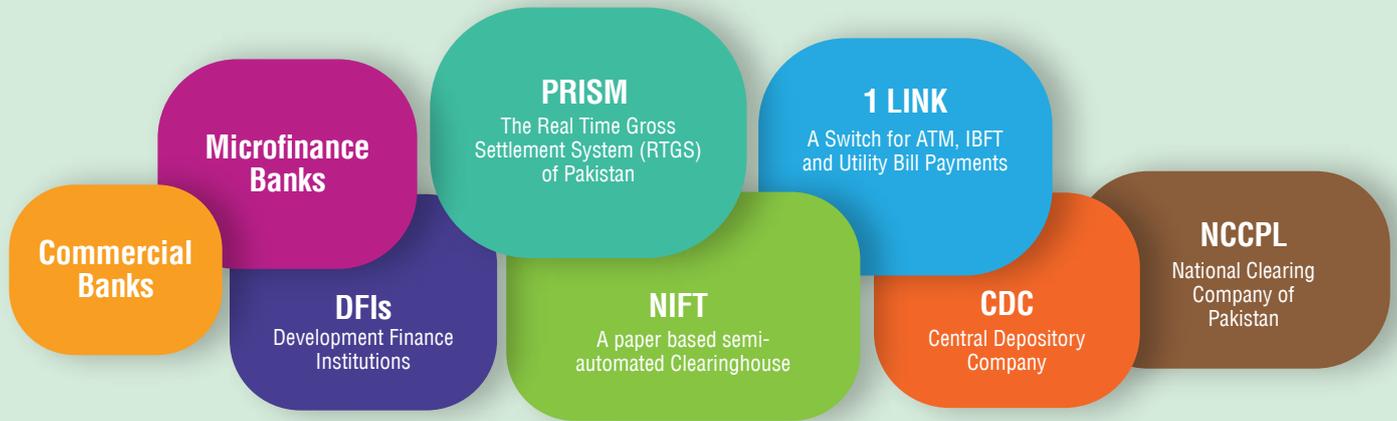
### Active Accounts % Share



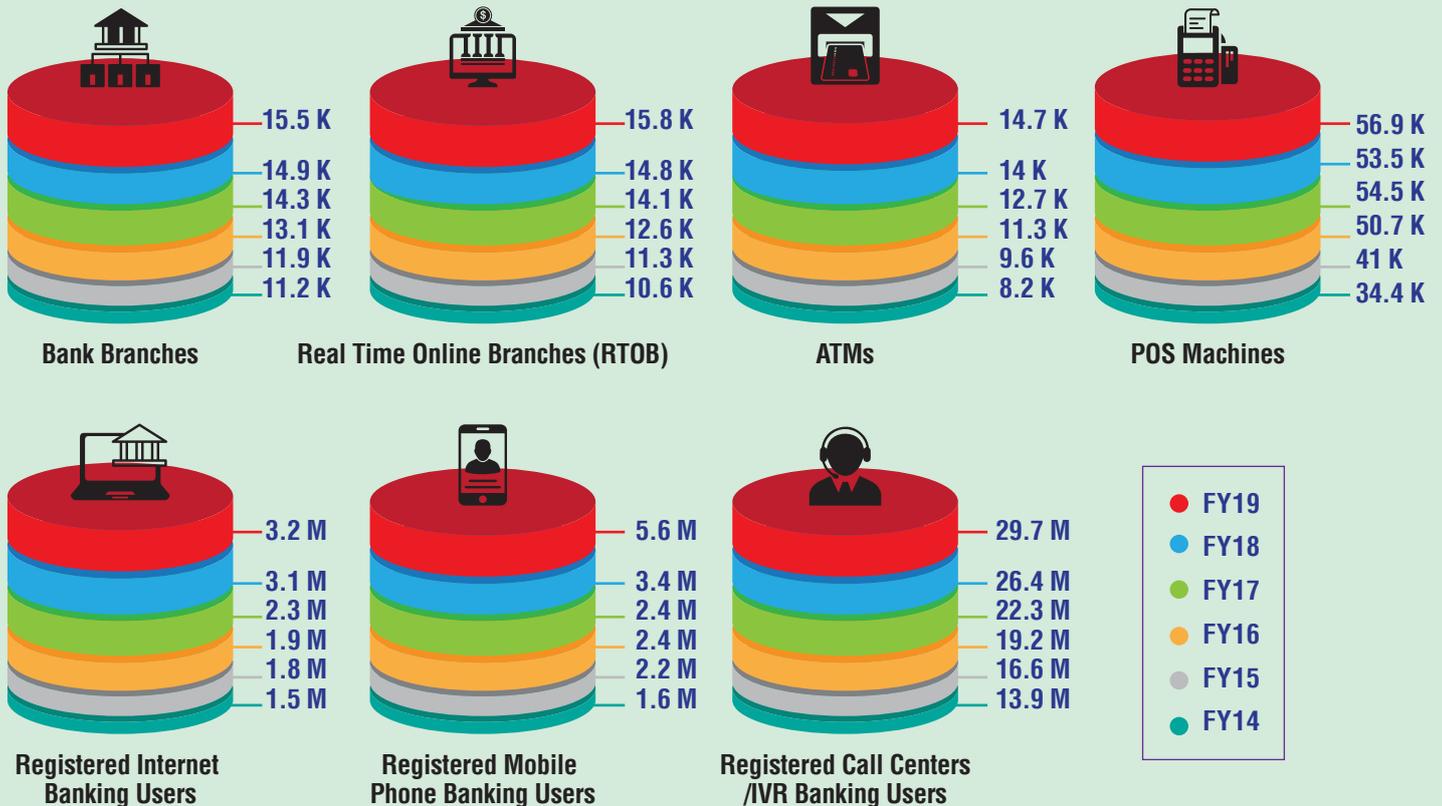
## Pakistan's Payment Systems Highlights

SBP, the central bank of the country, is an integral part and a regulator of the country's payment systems. It performs the catalyst role as an operator, monitor, supervisor, regulator and sets future directions.

The key payment infrastructure of the country comprises of the following:



### Payment Systems Infrastructure



Source: <http://www.sbp.org.pk/PS/PDF/FiscalYear-2017-18.pdf>

# About Karandaaz

KARANDAAZ PAKISTAN is a Section 42 company established in August 2014 and focuses on fostering economic growth and creating jobs through financial inclusion of unbanked individuals and unserved enterprises, with a special focus on women and youth. The company has four verticals:



## Karandaaz Capital

Provides wholesale structured credit and equity-linked direct capital investments to micro, small and mid-size enterprises (MSMEs) that demonstrate compelling prospects for sustainable business growth and employment generation in Pakistan.

## Karandaaz Digital

Focuses on expanding the poor's access to digital financial services in Pakistan by working across the ecosystem with all stakeholders.



## Karandaaz Innovation

Manages the Innovation Challenge Fund and Women Entrepreneurship Challenge, providing risk capital and grants to partners with the aim to generate innovative solutions in areas of financial inclusion and entrepreneurship.

## Knowledge Management and Communications

Supports the company's core financial inclusion goal by developing and disseminating evidence based insights and solutions.



Karandaaz Pakistan has received funding from the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) and the Bill & Melinda Gates Foundation (BMGF).

1E, Mezzanine Floor, Ali Plaza,  
Nazimuddin Road, F-6/4, 44000, Islamabad  
Tel: (051) 8449761  
Email: [info@karandaaz.com.pk](mailto:info@karandaaz.com.pk)

[karandaaz.com.pk](http://karandaaz.com.pk)  
[twitter.com/KarandaazPK](https://twitter.com/KarandaazPK)  
[linkedin.com/company/karandaaz-pakistan](https://linkedin.com/company/karandaaz-pakistan)  
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BILL & MELINDA  
GATES foundation

