National Financial Inclusion Strategy (NFIS)
PAKISTAN
Financial Inclusion in Pakistan

13% - 23% of population has access to formal financial services \textit{(Findex 2014 & Access to Finance Survey 2015)}

SHARE OF ADULTS WITH AN ACCOUNT - GLOBAL FINDEX 2014

- Pakistan: 13%
- Bangladesh: 31%
- Bhutan: 34%
- Nepal: 34%
- India: 53%
- Sri Lanka: 83%
- South Asia: 46%
- Middle East: 14%
- Sub-Saharan Africa: 34%
- Latin America & Caribbean: 51%
- Developing Countries: 54%
- World: 62%
Did you know? Pakistan has one of the best Enabling Environment for Financial Inclusion

**Business Environment Ranking**
- 2010: Number 5
- 2011: Number 3
- 2012: Number 3
- 2013: Number 3

**Regulatory Framework Ranking**
- 2010: Number 1
- 2011: Number 1
- 2012: Number 3
- 2013: Number 3

**EIU 2014 Ranking for Enabling Environment for Financial Inclusion:** Number 7
NFIS: The need of the hour

- Despite sustained efforts by **State Bank of Pakistan** (the Central Bank), SECP, GoP, DFID, World Bank and other stakeholders, *Financial Inclusion remains very low in Pakistan*

- NFIS comes at an opportune time - new technology and **branchless banking** offer unprecedented opportunities

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**2001 regulatory framework for MFBs**

**2005 e-CIB**

**2008 PRISM**

**Microfinance CIB 2009**

**2008 Branchless banking Regulations; amended 2011**

**2012 Nationwide Financial Literacy Program**

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**Nationwide Financial Literacy Program 2012**
NFIS Focus Areas

Vision: “individuals and firms can access and use a range of quality payments, savings, credit and insurance services which meet their needs with dignity and fairness”

- Digital Transaction Accounts (DTAs)
- Agriculture Finance
- Housing Finance
- Awareness & Literacy
- Insurance
- MSME Finance
- Pensions
- Gender
- Islamic Finance
PRODUCT ECOSYSTEM
Diverse set of tailored and responsible financial products (savings, credit, insurance), available to all

DRIVER 1:
DTAs
• Expand Access to Digital Transaction Accounts
• Digitize payments

DRIVER 2:
ACCESS POINTS
• Expand & Diversify Access Points

DRIVER 3:
FINANCIAL SERVICE PROVIDERS
• Providers develop systems, knowledge, products to serve new market segments

DRIVER 4:
FINANCIAL CAPABILITY
• Raise Financial Awareness & Capability (Consumers, SMEs)

ENABLER 1: Public & Private Sector Commitment, Coordination
ENABLER 2: Enabling Legal and Regulatory Environment
ENABLER 3: Supervisory & Judicial Capacity
ENABLER 4: Financial/Payments/ICT Infrastructure
Methodology & Consultative Process

Stocktaking: Data & Diagnostics

Definition Targets Missions Objectives

Strategy Design

Public Sector Actions

Private Sector Actions

Monitoring & Evaluation

Coordination Structure

NFIS Council
(MoF, SBP, FBR, PTA, others)

NFIS Steering committee
Technical Level Representatives from MoF, SBP, SECP, PTA, PMN, PBA, IAP

Technical Committees
Headline Financial Inclusion Targets 2020

- **50%**
  - Adults having formal accounts

- **25%**
  - Females having access to formal accounts

- **Access Points**
  - Increase in Financial Access Points

- **MSME**
  - Encourage investment in new credit products tailored to MSMEs
Microfinance outreach in Pakistan

Credit
- Active Borrowers: 3.5 Million | GLP: PKR 80 Billion

Insurance
- Policy Holders: 4.2 million | Sum insured: PKR 66B

Savings
- Active Savers: 14.4 Million | Value of savings PKR 53B
- Women clients: 56%  | Rural clients: 58%

Key Indicators (Q2 2015)
Microfinance Growth Strategy 2020: Reaching 10 Million clients

Projected Growth at Accelerated Growth Rate

- **GLP**
- **Active Borrowers**
While we understand there are challenges to growth, however our optimism is backed by availability of and focus on setting pillars of sustainable growth.
THANK YOU