

FINANCIAL INCLUSION **insights**

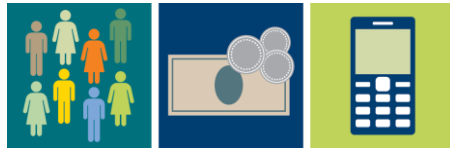
APPLIED RESEARCH FOR  digital financial inclusion

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FII SURVEY WAVE 1 REPORT

September 2014

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PUTTING THE USER FRONT AND CENTER

The Financial Inclusion Insights (FII) program responds to the need identified by multiple stakeholders for timely, demand-side data and practical insights into digital financial services (DFS), including mobile money, and the potential for their expanded use among the poor.

The FII team conducts regular survey and qualitative research in [Kenya](#), [Tanzania](#), [Uganda](#), [Nigeria](#), [India](#), [Pakistan](#), [Bangladesh](#) and [Indonesia](#) to:

- **Track access to and demand** for financial services generally, and the uptake and use of DFS specifically;
- **Measure adoption and use** of DFS among key target groups (females, BOP, rural, unbanked, etc.);
- **Identify drivers and barriers** to further adoption of DFS;
- **Evaluate the agent experience** and the performance of mobile money agents; and
- **Produce actionable, forward-looking insights** to support product and service development and delivery, based on rigorous FII data.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: www.finclusion.org.

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Context

FINANCIAL INCLUSION IN PAKISTAN

- Sixty percent* of Pakistan's 102 million people live on less than \$2 per day, while 90 percent of Pakistani adults remain unbanked (FINDEX, 2011). Vulnerable groups such as women and rural populations face additional challenges in improving their livelihoods. Mobile phones are increasingly being identified as platforms for helping vulnerable populations; in Pakistan, approximately seven out of 10 people have mobile phone subscriptions (ITU, 2013).
- Digital financial services (DFS), including mobile money, offer a potential solution for providing valuable services to these previously unreached consumers. Currently the mobile money market is dominated by two players: Telenor's EasyPaisa and UBL Omni.
- Pakistan's central bank, the State Bank of Pakistan (SBP), has a history of progressive action in working toward financial inclusion, particularly by expanding its microfinance sector and promoting agricultural lending schemes. The SBP's data from the end of 2013 showed there were just over 974,000 borrowers who received loans from microfinance institutions and almost 1.4 million borrowers of agricultural finance. DFS are a powerful tool to expand these efforts.
- Based on data published in the SBP's latest issue of the quarterly Branchless Banking newsletter (January to March 2014), the number of branchless banking accounts continues to grow (now 3.83 million), but the number of dormant accounts is also growing. The breakdown of modes of branchless banking transaction remained constant with over-the-counter (OTC) transactions accounting for 80 percent of overall transactional volume, while m-wallet transactions stood at 14 percent. Although this ratio has seen little movement, transactions via m-wallets and the volume of these transactions grew by 27 percent and 51 percent, respectively.
- This FII research provides financial inclusion data and insights to track progress and map underserved areas and segments, identify consumer needs and perceptions, and highlight market barriers and opportunities.

* *Human Development Report 2009 - Population living below \$2 a day (%)*, UNDP

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METHODOLOGY

- The report presents findings on financial behavior among Pakistani adults. In particular, the focus is on the access and use of banking services and mobile money services, as well as triggers and barriers for potential uptake.
- The analysis presented in this report is based on:
 - **The Tracker Survey:** A nationally representative survey of 6,000 Pakistani adults, ages 15 and older, conducted from Nov. 7, 2013, to Jan. 3, 2014, on access and use of financial services, as well as barriers and potential for future use. Reported data: All percentages in this report are weighted to reflect national-level proportions. All bases (n=numbers) in this report are unweighted and represent the actual number of people interviewed in the survey.
 - **The Consumer Focus Groups Study:** A qualitative study with mobile money users and nonusers conducted Feb. 17 to March 20, 2014. The study was designed to provide insights into why and how customers access mobile money; why nonusers are not using mobile money services; barriers to and triggers for uptake and use of mobile money; participants' financial behaviors and current pain points; and the potential for new digital services.
 - **Customer and Agent Interview Study:** A qualitative study was conducted Feb. 28 to March 21, 2014, consisting of interviews with mobile money agents and exit interviews with mobile money users to provide insights into over-the-counter (OTC) transactions and understand barriers to and triggers for uptake and use of mobile money.
- This program of research will be repeated in 2015.
- InterMedia partnered with PIPO Gallup to conduct this research in Pakistan.

The Financial Inclusion Insights program is being carried out with funding from the Bill & Melinda Gates Foundation. All survey materials and data resulting from this study are the property of the Bill & Melinda Gates Foundation, but the findings and conclusions presented in this report are those of the authors and do not necessarily reflect positions or policies of the foundation.

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A note about the FII Tracker Surveys and the Financial Inclusion Tracker Survey (FITS)

Separate from the nationally representative FII Tracker Surveys of individuals in Pakistan, InterMedia also conducted the Financial Inclusion Tracker Survey (FITS) in Pakistan in May-September 2012. Below is an explanation of the differences between the two types of surveys.

FII:

The FII Tracker Surveys are conducted with randomly selected Pakistani adults (age 15+). The sample is designed to be proportional to population size in every region of the country and is further stratified, clustered and randomized through to individual respondent selection. New samples of respondents are selected for each survey wave.

FII Tracker Surveys can be considered nationally representative of the population and are thus optimal for tracking activity over time in Pakistan.

FITS:

The FITS was a survey of 4,940 Pakistan households focused on understanding household economic activity and its relationship to the use of mobile money. This survey was part of a longitudinal panel study where subsequent surveys return to the same households each time.

As part of the FITS, information was gathered from certain individuals in these households about their mobile money access and use habits. However, this data was not necessarily nationally representative as a result of the household-based sampling structure.

The primary purpose of the FITS data was to support analysis of the impact of mobile money use on household economic activity, particularly in the management of economic shocks.

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FSP DIGITAL FINANCIAL INCLUSION INDICATORS

(Digital stored-value accounts include bank accounts and mobile money accounts)

Cross Country Indicators	%	Base n
% of adults (15+) with access to digital financial services (including bank account, mobile money account and OTC)	14%	6,000
% of adults (15+) with a registered bank account or mobile money account	8%	6,000
% of adults (15+) with active digital stored-value accounts	7%	6,000
% of adults (15+) below the poverty line (<\$2/day) with active digital stored-value accounts	4%	3,177
% of males (15+) with active digital stored-value accounts	10%	3,076
% of females (15+) with active digital stored-value accounts	3%	2,924
% of rural males (15+) with active digital stored-value accounts	8%	2,247
% of rural females (15+) with active digital stored-value accounts	2%	1,763
% of adults (15+) who use at least one digital financial service beyond basic wallet, P2P and bill pay payments	1%	6,000
% of adults (15+) below the poverty line (<\$2/day) who use at least one digital financial service beyond basic wallet, P2P and bill pay payments	0.2%	3,177
% of males (15+) who use at least one digital financial service beyond basic wallet, person-to-person (P2P) and bill pay payments	1%	3,076
% of females (15+) who use at least one digital financial service beyond basic wallet, P2P and bill pay payments	0.3%	2,924
% of rural males (15+) who use at least one digital financial service beyond basic wallet, P2P and bill pay payments	0.5%	2,247
% of rural females (15+) who use at least one digital financial service beyond basic wallet, P2P and bill pay payments	0%	1,763
% of adults (15+) who use mobile money (OTC or their own account)	7%	6,000

KEY INSIGHTS

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Financial behavior

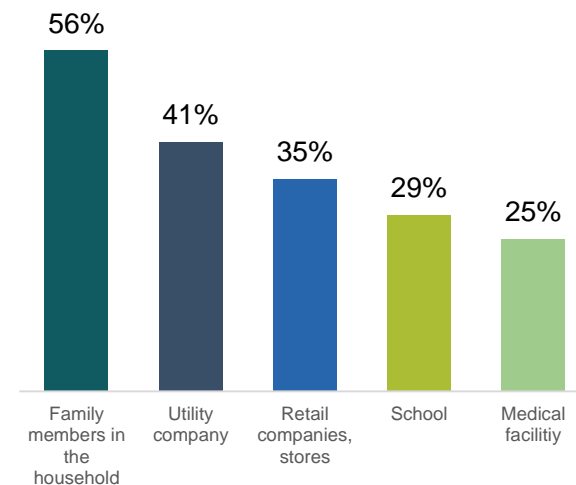
For payments, a preference for cash and informal financial services currently prevails.

- *Payment means:* 99 percent of payments overall are reportedly made in cash, with gold a distant second (less than 1 percent).
- *Recipients:* Household family members were the primary recipients of payments (56 percent); utility payments were second (41 percent) followed by retail (35 percent) and school payments (29 percent).
- *Size of payment:* The mean payment made was an estimated \$24.94.

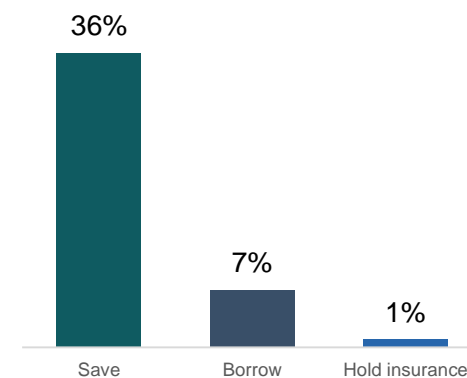
Financial services beyond payments were also done on a largely informal level.

- *Saving:* Thirty-six percent of respondents save money through some means – be it formal or informal. Of this 36 percent, the top two reasons individuals save are to cope with emergencies (39 percent) and save for a future purchase (22 percent). Of respondents who save money, 63 percent kept it in cash inside the home; 33 percent kept it with savings groups such as ROSCAs.
- *Insurance:* Only 1 percent of the respondents owned an insurance policy; 90 percent of these policies were for life insurance.
- *Lending:* Currently, 46 percent of outstanding loans were from family or friends, while 42 percent were with shopkeepers, and just 5 percent with banks or MFIs.

Types of Payment Recipients



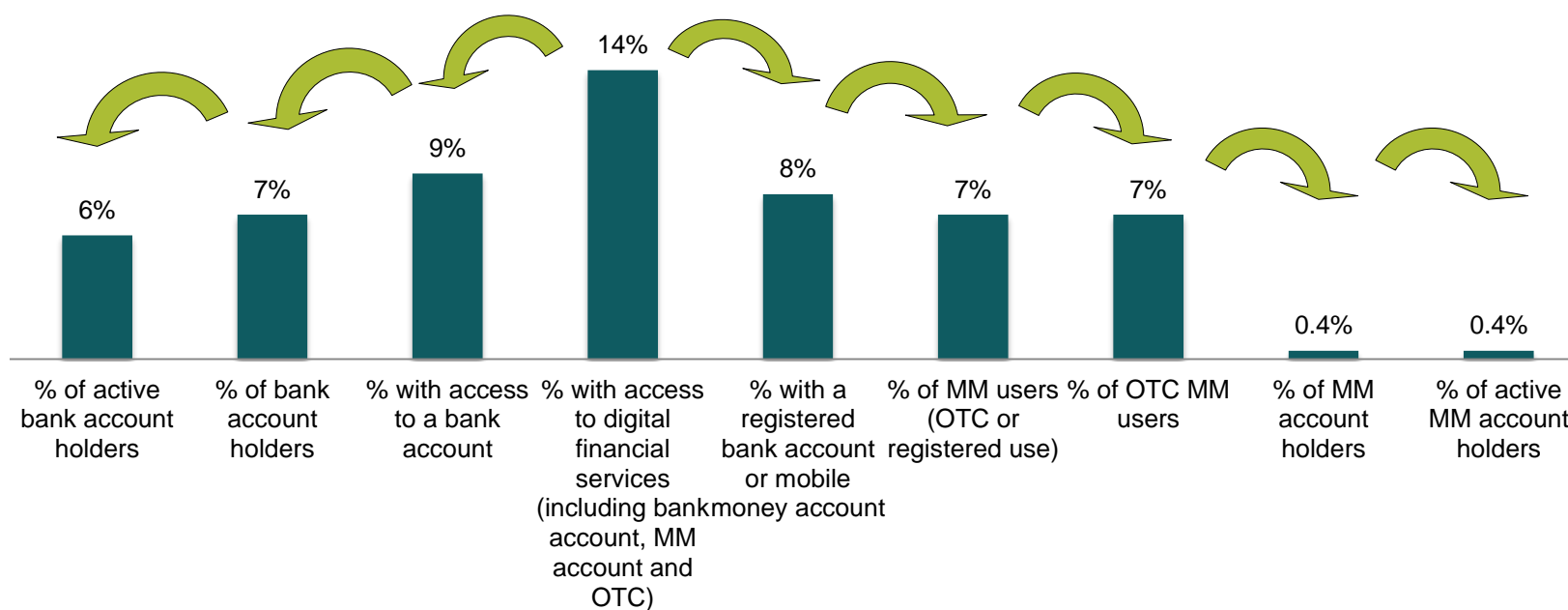
Use of Financial Services



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Financial inclusion overview

Percentage of Pakistani adults who fall into each category



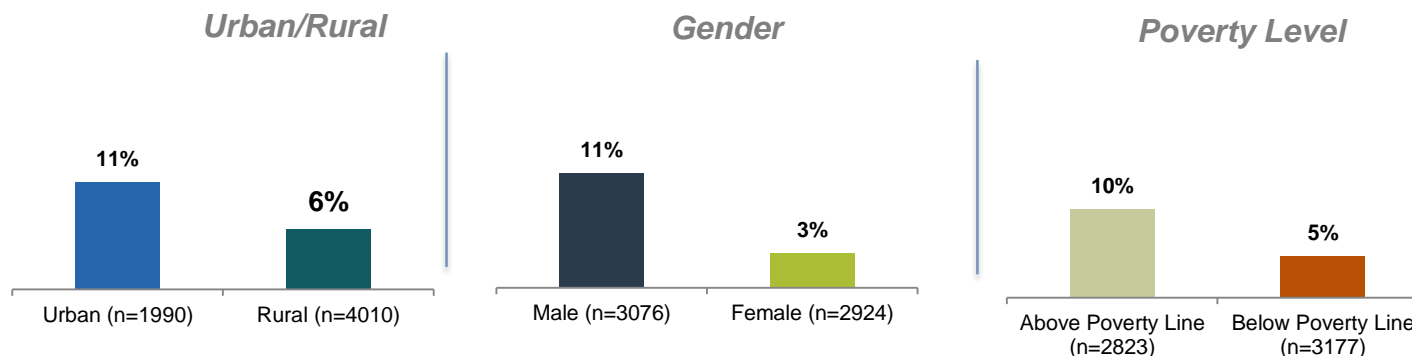
Key takeaways:

- Eight percent of Pakistani adults have a registered digital stored-value account – either bank or mobile money. The large majority of digital stored-value account holders have bank accounts. Seven percent of Pakistanis are registered bank account holders.
- Although 7 percent of the respondents use mobile money, only 0.4 percent have registered their own accounts. This indicates the majority of mobile money users access the service through an agent, through family or through a friend (over the counter).

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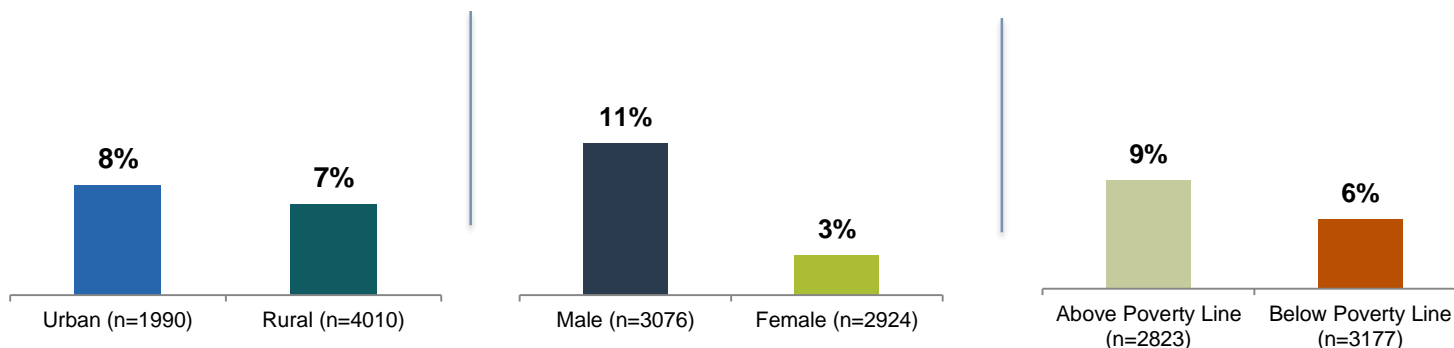
Bank account use

Bank Account Holders



- Significant gaps exist between urban/rural, by poverty level and by gender.
- Similar demographic trends hold for those who hold bank accounts as for those who have used mobile money.

Ever Used Mobile Money



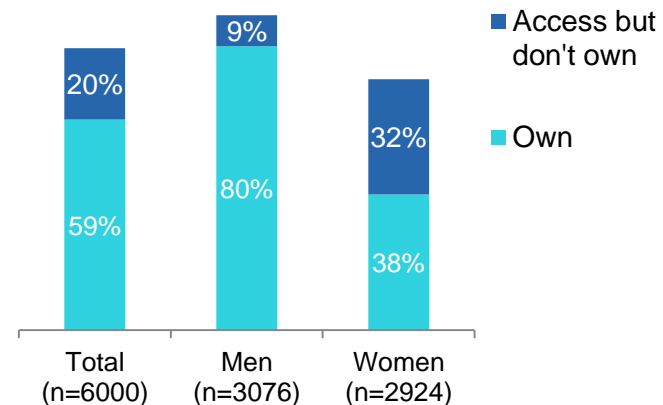
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Mobile phone access & use

Nearly 80 percent of Pakistanis have access to mobile phones, either through owning their phones or through borrowing. A significant gender gap exists however (see section on gender).

- The 42-percent gender gap (80 percent vs. 38 percent) for mobile ownership is significant; however, among non-owners of mobile phones, women are more likely to borrow a phone (52 percent) than men (43 percent).
- While virtually all mobile users make and receive calls, only 33 percent of women versus 48 percent of men send and receive text messages.
- Seventy-six percent of Pakistani adults still use basic phones, while 28 percent use feature phones and 3 percent have smartphones.
- Those who own SIM cards often own multiple SIMs – 1.38 SIMs per mobile owner on average.
- Pakistanis aged 20-24 have the highest access rate with 72 percent owning a mobile phone.

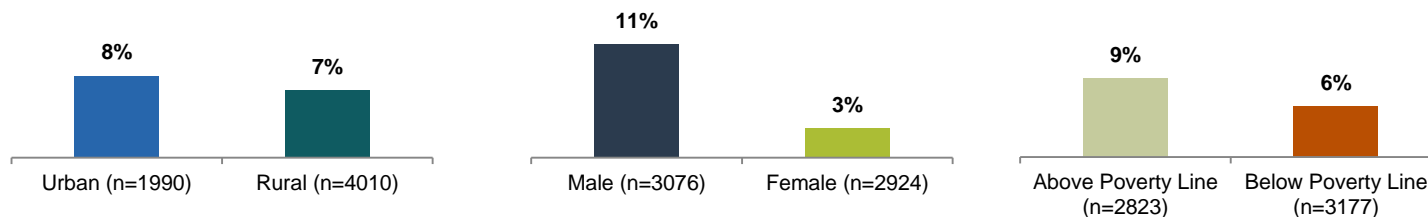
Mobile phone ownership & access



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Mobile money

Ever Used Mobile Money



- **Gender** – A gender gap in awareness (72 percent of men are aware of mobile money vs. 57 percent of women) and in mobile money use is likely due to social restrictions on women spending time outside the home, and the fact that using mobile money often involves interacting with men outside of the family (see Gender section).
- **P2P transfers** – Eighty-eight percent of respondents (83 percent of males, 94 percent of females) send money to or receive money from other people. Thirty-one percent of mobile money users use mobile money to send or receive P2P transfers.
- **Rural areas** – Use of mobile money in rural areas is almost on par with urban populations, which is likely due to effective mobile phone advertising campaigns and the lack of alternative options for financial services (resulting in latent demand).
- **Major mobile money use cases** – The majority of users utilize only basic mobile money services.

Percentage of mobile money users who use mobile money to...

① **52%**
Withdraw/deposit money

② **31%**
Send/receive P2P Transfers

③ **24%**
Pay a utility bill

Base: mobile money users (n= 428)

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Mobile money drivers & barriers

Over-the-counter (OTC) use dominates the market as competitors vie for share.

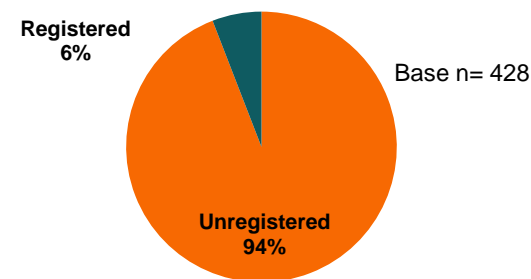
- Ninety-four percent of the respondents who use mobile money services have not registered their own accounts, preferring to conduct transactions OTC through an agent's account.
- For each mobile money offering, television was the primary source of people's awareness of the product. As 83 percent of all respondents own a TV, this is an effective outreach channel.
- For both OTC and registered mobile money transactions, transaction fees are a cost consideration relative to negligible fees for bank deposits and personal delivery.

Six reasons users choose not to register mobile money accounts

(based on consumer focus groups)

- Lack of education/literacy
- Lack of awareness about available services
- Unfamiliar with options
- OTC considered convenient enough
- Safety and security concerns
- Perception that accounts are for the rich

Percentage of Mobile Money Users with Registered Accounts



**(n=428) active mobile money account holders can have accounts with more than one provider.*

DETAILED FINDINGS

GENERAL FINANCIAL BEHAVIOR

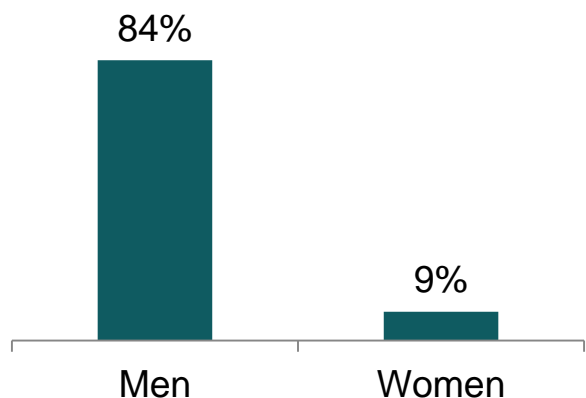
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Employment & income

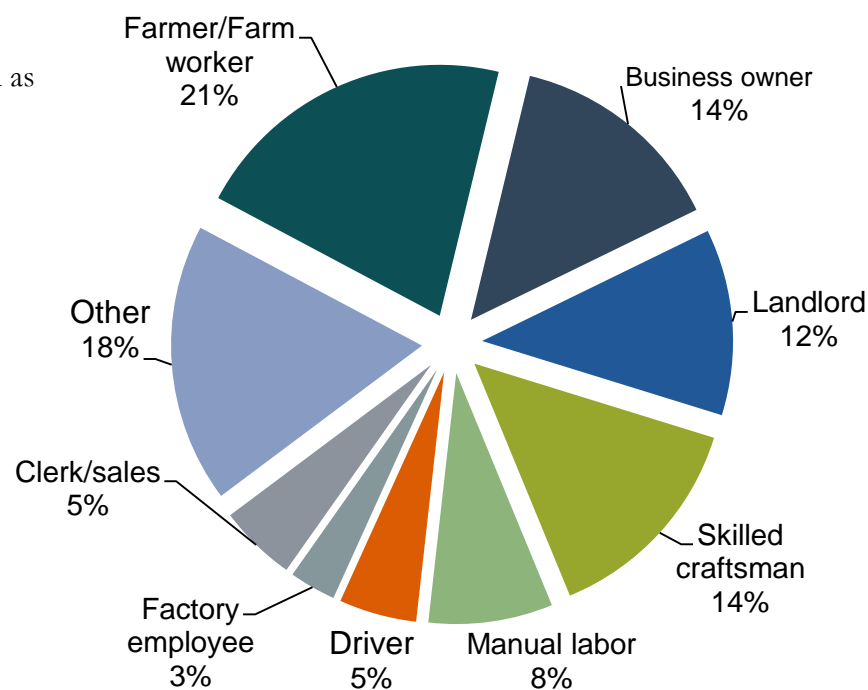
General financial situation - males working in agriculture are the largest population segment

- The largest segment of the population earns their primary income from agriculture (21 percent); business owners represent 14 percent of the population and another 14 percent are skilled craftsmen.
- This range of occupations applies mostly to the male population as they are more than eight times more likely than women to be gainfully employed.

Do you have a job that earns income?



Primary Occupations

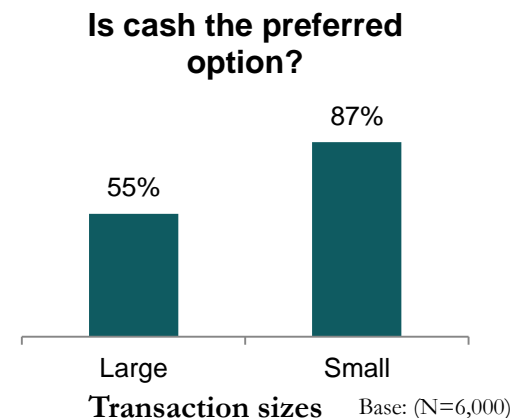


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Transactions

Cash is preferred for payments, although preferences vary by transaction size

- Eighty-seven percent of respondents considered cash to be the best option when paying for small transactions, such as purchasing food.
- For large transactions, such as buying land, only 55 percent considered cash to be the best payment option. These transactions are often processed with both parties, buyer and seller, visiting the bank together.



Top advantages to using cash

% of all respondents (N=6,000)

- Must make daily/regular purchases in cash (51%)
- More expensive if not paid in cash (47%)
- I can access cash whenever I want (43%)
- Can only make certain infrequent payments in cash (39%)
- Accustomed to using cash (39%)
- It is easier to keep/transact in cash (33%)

Top disadvantages to using cash

% of all respondents (N=6,000)

- Tempted to spend more than I need (55%)
- Can get mugged/robbed (53%)
- Can lose cash by accident (42%)

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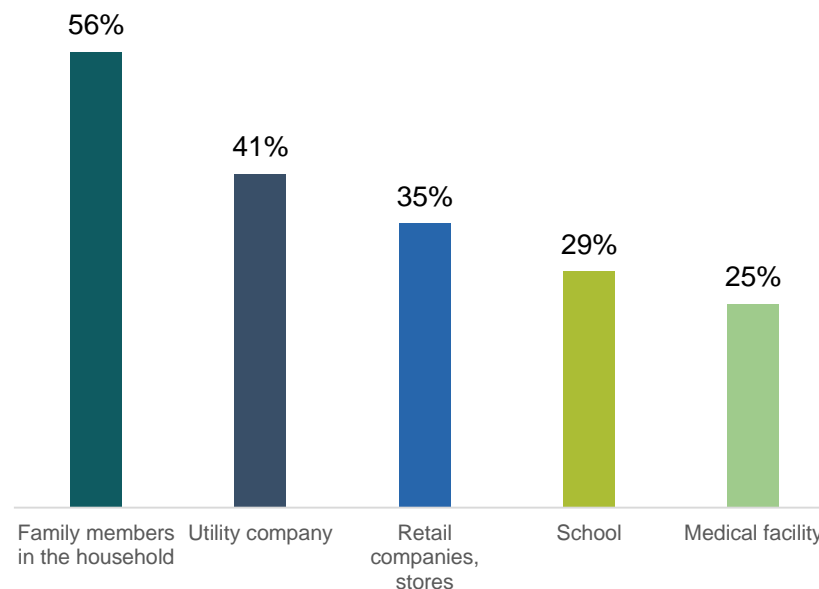
Transaction – sending payments

Payments are predominantly transacted in cash and within 2 kilometers of an individual's residence

- As is the case in many countries, in Pakistan, sending money to family members is both important and expected. The vast majority of transactions to family members occurred in cash and between parties who are located close by (less than 2 kilometers apart).
- Payments to other entities such as government, school, or utilities tended to be farther away, but were also predominantly paid in cash.

Type of Entities that Receive Payments

Base: N=3,334



	Base	3449	2566	2112	1830	1548
Transactions done in cash		99%	99%	100%	100%	99%
Recipient is located less than 2km away		93%	55%	82%	66%	48%

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Savings methods

For savings, cash and committees (ROSCAs) are the preferred methods

- For the 36 percent of respondents who save money, cash is the preferred means, largely for security reasons – more than three times as many savers reported having money stolen from their bank or MFI accounts than by hiding cash.
- As a savings method, ROSCAs* (committees) are also popular, especially with women - 38 percent of women vs. 27 percent of male savers use ROSCAs to save.

“...my wife has been putting [funds in] a committee for a while now. So we don't put committees in with new people because you can't trust them.” (Female, ROSCA user, urban, Punjab)

- Some savers choose to prepay shopkeepers as soon as they get their paycheck which serves as a credit for everyday purchases such as staples like oil, sugar and tea. And often because there is a bond of trust developed through frequent business dealings, shopkeepers may offer credit should the customer need to make extra purchases, or if their paycheck is delayed.
- Durable items (e.g., refrigerators, cars, or mobile phones) are perceived as safe and have the benefit of holding their value; these can be used as a form of savings as they could theoretically be sold if the owners needed cash at some point in the future.

What are female ROSCA users saving for?

“I usually buy gold jewelry.”

“I give it to my husband occasionally if he needs money to invest in his business.”

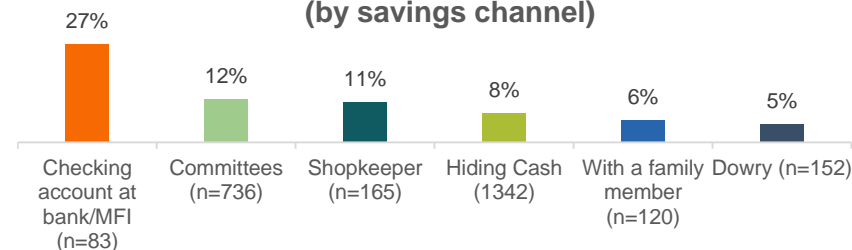
“I always plan what I am going to use the money on, beforehand.”

“If a sibling is getting married then I plan my expenses ahead of time. I always have a list of things I need to spend money on when I receive my committee.”

(Females, urban, Punjab)

Saving Channels Base: Savers, n=2164	%
In cash in a hiding place in house or on self	63%
Committees (ROSCA/ASCA, SACCO)	33%
Deposit with a shopkeeper	7%
Saving by buying durable items	7%
With a family member	6%
Current/checking account at a bank or MFI	4%

Safety - percent of savers who have had money stolen in the last six months (by savings channel)



* A Rotating Savings and Credit Association (ROSCA) is a group of individuals who operate as an informal financial institution through repeated contributions and withdrawals to and from a common fund.

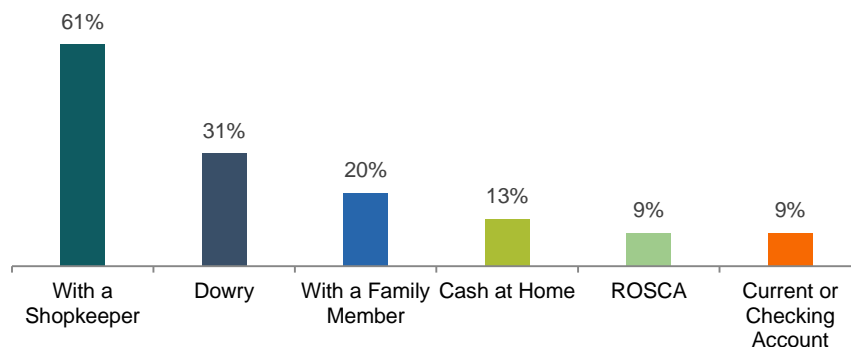
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Methods of saving

Certain segments, such as small-business owners, have different savings method preferences

- Small-business owners choose to save most frequently with a shopkeeper; this most likely reflects ongoing business relationships built on trust.
- This also reflects potentially shorter-term holdings of savings as the funds are mostly likely to cover inventory or other supply chain costs which are frequent and recurring regularly.
- Just 9 percent of small-business owners choose to save through a ROSCA, compared with 33 percent overall, likely reflecting greater access to other potentially safer forms of saving such as via dowry and with a shopkeeper.
- As men make up the majority of small business and shop owners, 15 percent of men versus 2 percent of women made their primary income in this way.

How small-business owners save, n=277

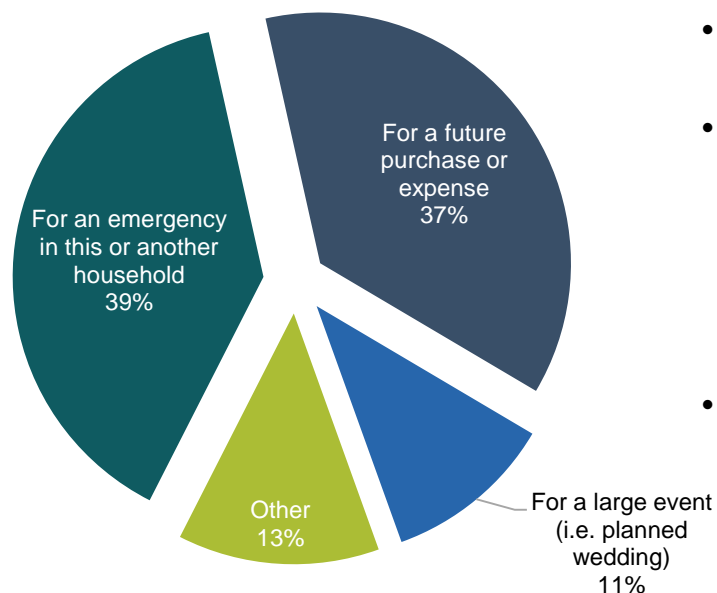


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Reasons for saving

Emergencies and future purchases or events are the main reasons for saving

Main reasons for saving money
N=2,164, all savers



- The most common financial emergencies involve medical expenses, and households end up using their savings to pay for these -- the government health system is often perceived as undependable.
- Another big expense item is the pilgrimage to Mecca that many people save for their entire lives.
- Often a family will save for years for a daughter's dowry, purchasing durable items such as TVs, beds, cutlery, and, in particular, jewelry, which holds value well over time. How much gold a bride wears on her wedding day is a measure of pride and wealth for a family, and, therefore, a long-term savings priority.
- These patterns vary little between urban and rural populations.

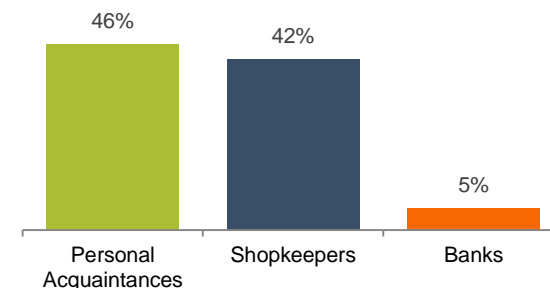
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Borrowing

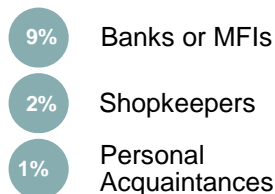
Pakistanis typically borrow from personal acquaintances and shopkeepers or from banks, depending largely on the transaction size

- Reasons for borrowing mirror those for savings; paying for emergencies is the most common reason.
- Though fewer in number, bigger loans are typically from banks, while smaller loans are through “trust circles” from family or friends (called “Quarz-e-Hasna”). These personal loans are mostly given interest-free as charging interest is generally looked down upon.
- The average amount borrowed from banks was nearly quadruple that of loans from personal acquaintances and almost double that of loans from shopkeepers.
- The higher interest charged by MFIs and banks (9%) may provide some evidence for why borrowers lean towards more informal sources for loans.

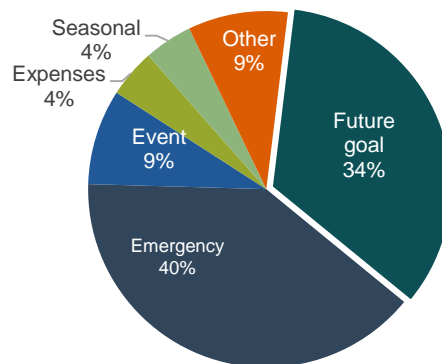
Source of loans, n=456



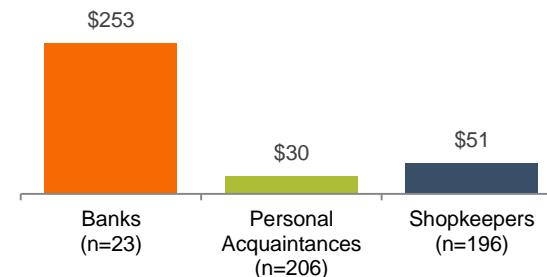
Average interest rates as reported by borrowers



Purpose for borrowing (n=456)



Average transaction amount



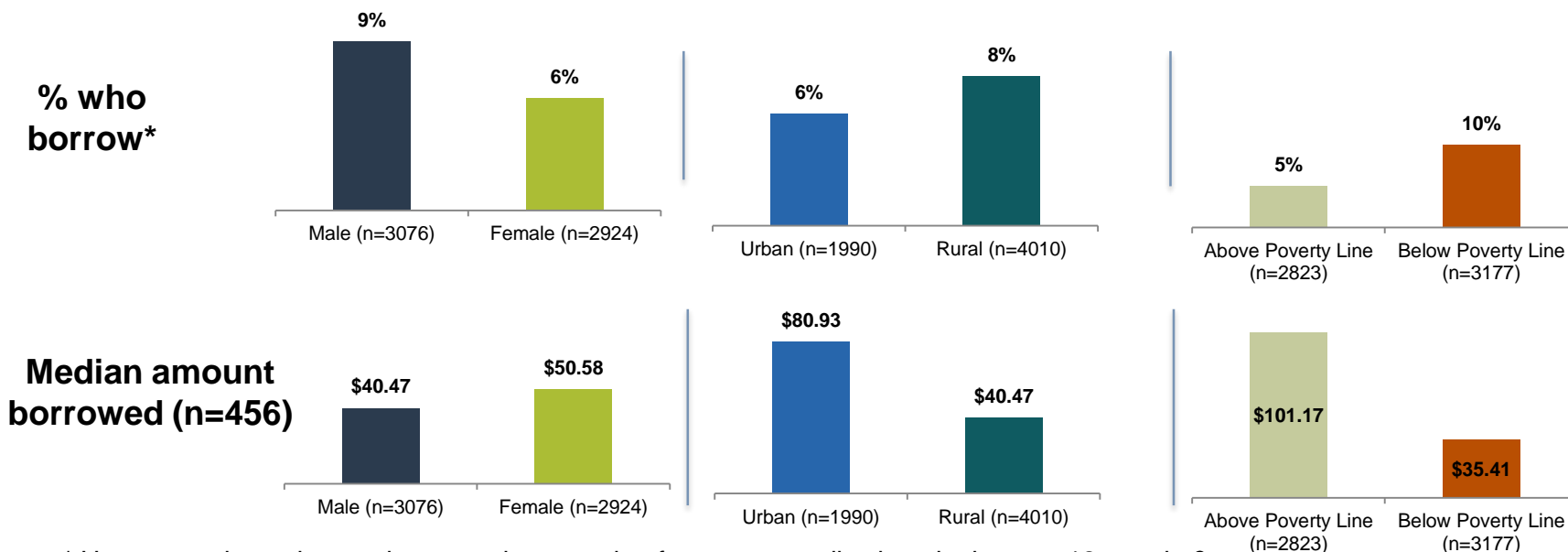
Note on regional differences: On a provincial level, the research found that people living in Sindh were most likely to borrow. Further study is recommended.

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Borrowing

Certain patterns emerge in lending between demographic groups

- **Gender:** A small gender gap exists in borrowing rates; however, women's 25 percent higher median borrowing amount of \$50.58 is most likely due to women being charged with managing the household purchases.
- **Rural/urban:** Rural populations actually have a higher borrowing rate, likely reflecting more interconnected social networks in rural versus urban areas, as well as a more frequent need for financial support.
- **Poverty:** The borrowing rate for populations below the poverty level is twice that of those above the poverty level, although in smaller amounts (by three times); this reflects both the greater needs of the poor to seek help sustaining their lives and businesses, and the existence of active borrowing.



* Have you taken a loan or have you been paying for an outstanding loan in the past 12 months?

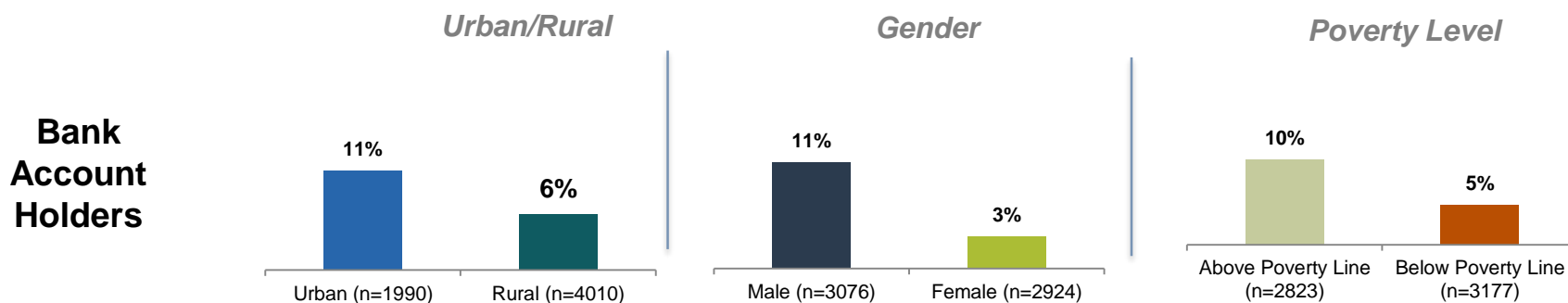
DETAILED FINDINGS

BANKING SERVICES: ACCESS AND USE

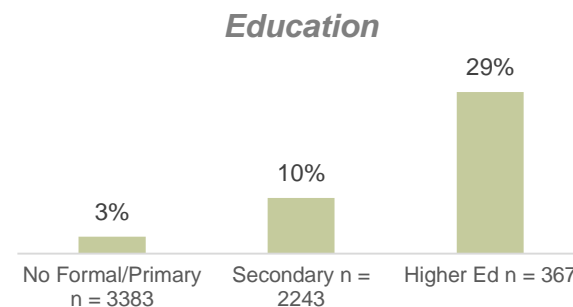
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Bank account holders

Bank account ownership varies somewhat across demographic groups



- Male urban dwellers living above the poverty line are more likely than other demographic groups to have access to bank accounts.
- Sharing accounts was not widely reported - just 1.2 percent of those interviewed, who did not own a bank account, had access to another person's account.
- Gaps between those with no formal education and those with higher levels of education suggest that education plays an even more important role than gender or rural vs. urban locations do in determining bank account access and use.



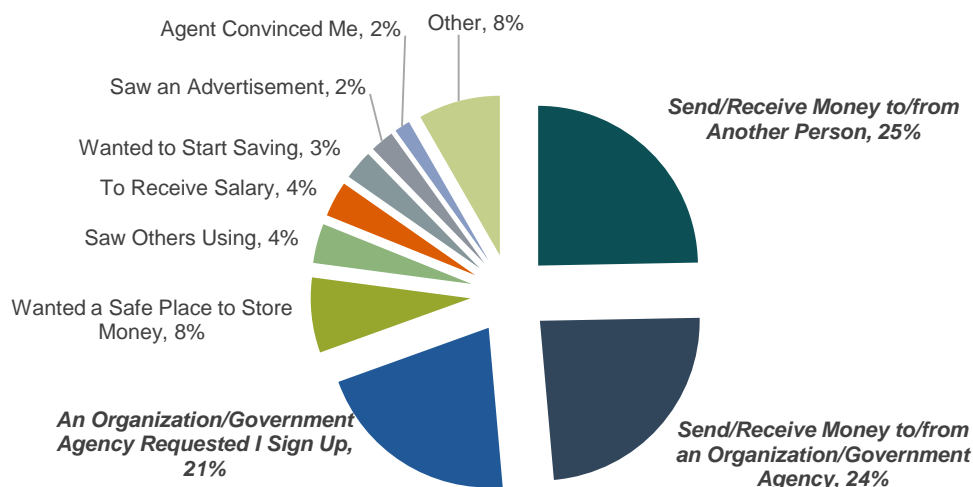
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Uses of bank accounts

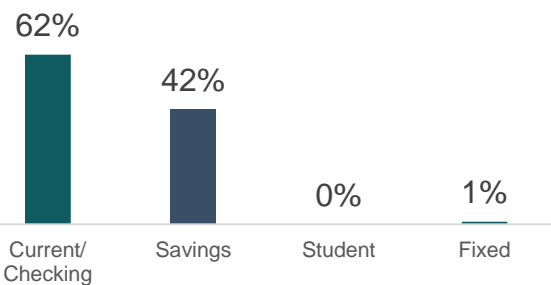
Sending and receiving money are the most common reasons to open a bank account

- Sending and receiving money were the main reasons 49 percent of bank account holders originally opened new bank accounts (25 percent and 24 percent, respectively).
- A government or organization requesting an account be opened represented 45 percent of new bank account openings; this includes programs such as relief funds for internally displaced people or other social welfare payments.
- Advertising sparked just 2 percent to open accounts.

Reasons for starting to use a bank account (n=476)



Types of Accounts (n=476)



- Pakistanis use bank accounts for more than just cash-in, cash-out (CICO) transactions and storing money - two-fifths of respondents with bank accounts have savings accounts.

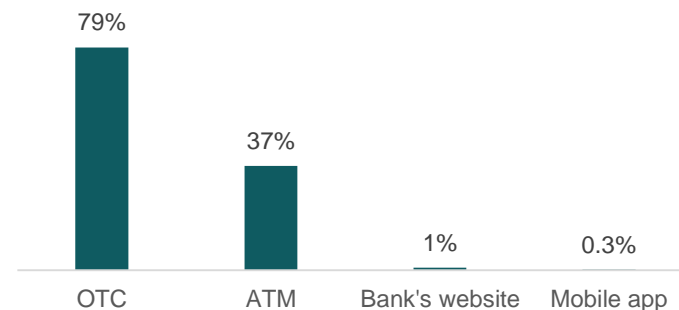
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How bank accounts are accessed

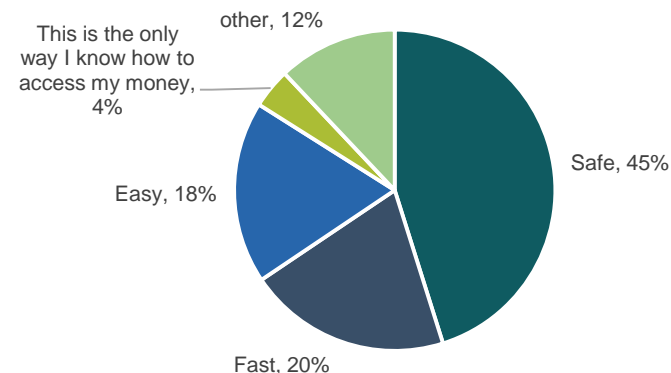
In-person bank transactions are preferred over ATMs and other options because they are perceived to be a safer means of handling money

- Going to the bank and transacting in person is the strongly preferred channel for accessing bank accounts among Pakistanis, while ATMs are second.
- Despite a typically short wait time, the ease and security of transacting inside the bank is perceived as worth the effort.
- Although transactions via ATM, on average, require less travel time (because there are more ATM locations), the chances of being robbed or otherwise losing the money (especially at night) outweigh the hassles of going to a bank.
- Overall, safety is a priority over expediency and ease of use in completing transactions.
- Although bank mobile apps are widely available, very few people use them (just a handful of respondents). The competitive nature of the market, however, means that all banks are beginning to offer this option.

How users access banks (n=542)



What is the main reason you prefer this method? (n=524)

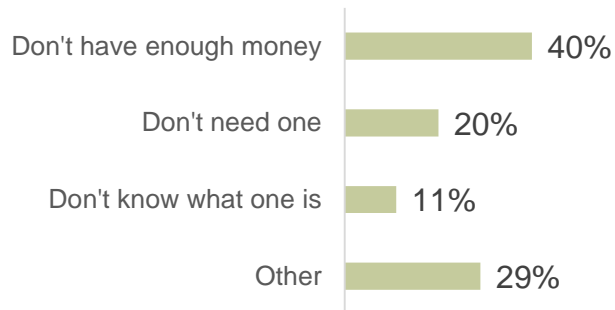


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Savings in formal banks

Despite saving through informal channels, many Pakistanis believe they do not have enough money to save through a bank

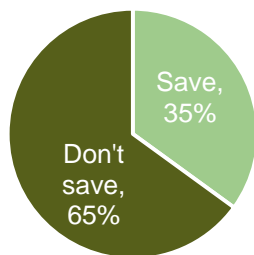
Reason for Not Having a Bank Account



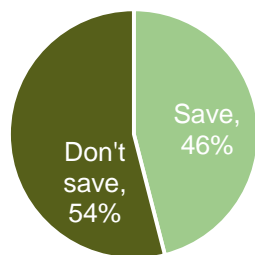
Base: Percentage of respondents without a bank account.
n = 5,524

- The majority of rural respondents fell into the group indicating they couldn't afford a bank account, but nearly half of these people were above the poverty line.
- Furthermore, many of those who indicate they cannot afford a bank account make monthly contributions between 1,500 PKR (\$14.84) and 2,000 PKR (\$19.78), to their savings instrument of choice.
- Committees such as ROSCAs and SACCOs, or hiding cash, are more common means of saving money for bank account holders than using their own bank accounts.

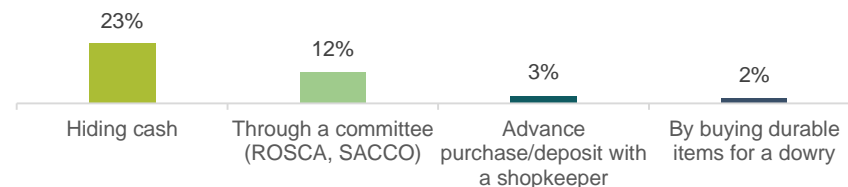
Non-Bank Account Holders
(n=5,524)



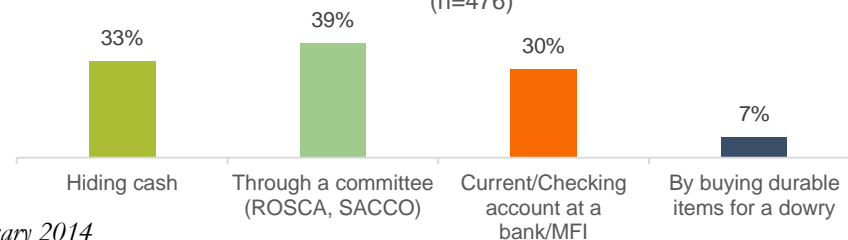
Bank Account Holders
(n=476)



Non-bank account holders' top four means of savings (n=5,524)



Bank account holders' top four means of savings (n=476)

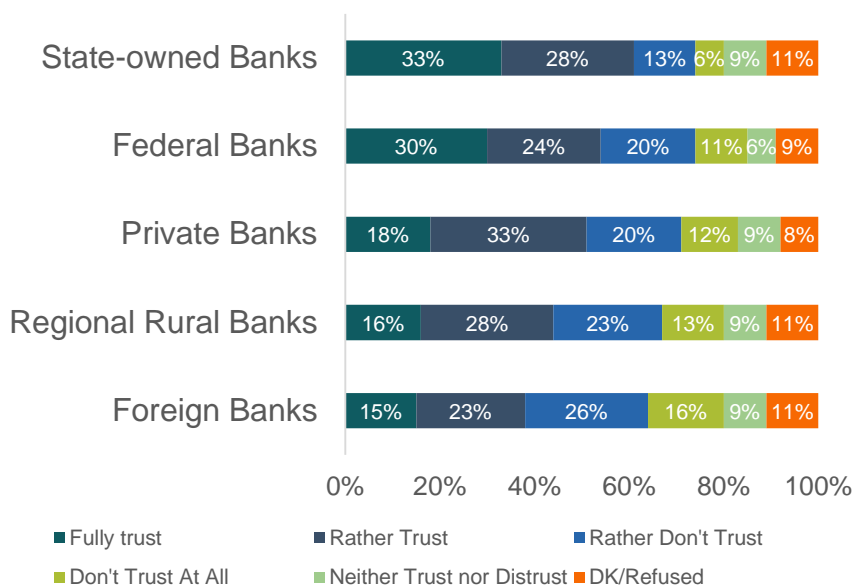


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Trust in formal financial institutions

Pakistanis trust state banks most and foreign banks the least

Trust levels in banks



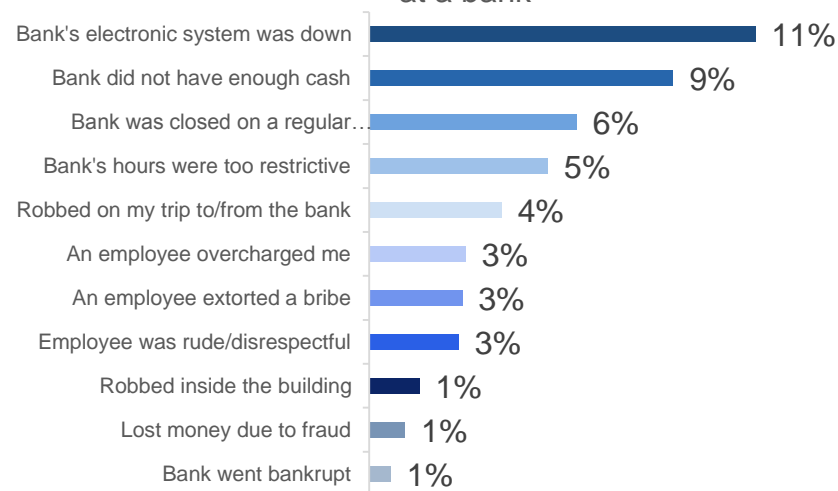
Base: (N=6,000)

- State-owned banks are the most highly trusted among formal banks, and foreign banks are the least trusted with 42 percent saying they rather don't trust or do not trust them at all.
- This notion is reaffirmed by separate findings that 83 percent of Pakistanis believe banks are acting in the best interest of their customers and 71 percent believe their money is safe with banks.

Problems faced at banks

- Eighty percent of bank account holders reported never having encountered issues while at a bank branch.
- The most common problems that were reported were electronic systems failure.

Percentage of bank account holders facing problems at a bank



DETAILED FINDINGS

MOBILE PHONE: ACCESS & USE

PAKISTAN

Mobile phone ownership

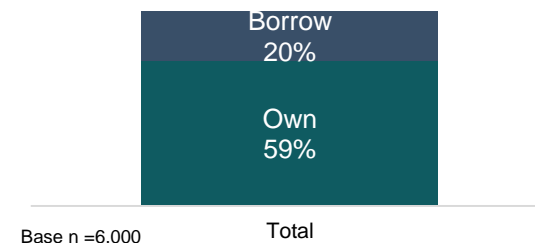
Trends emerge in mobile ownership and access

- Nearly 80 percent of Pakistanis have access to mobile phones, either through owning themselves or through borrowing.
- Seventy-six percent of Pakistani adults still use basic phones, while 28 percent use feature phones and 3 percent have smartphones.
- Those who own SIM cards often own multiple SIMs, and knowing how many SIMs each person has enables a more accurate assessment of data to track user numbers and usage.

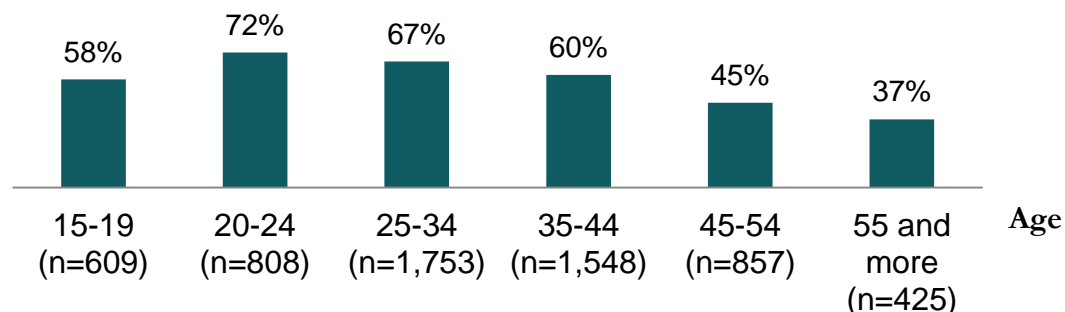
Mobile phone owners are price savvy – often owning multiple SIM cards to take advantage of savings offers, such as getting the cheapest call rates when making in-network calls. (Source: focus groups)

- Age is also a strong determinant of whether Pakistanis own a mobile phone – those aged 20-24 were most likely to own a mobile phone.

Access to mobile phones



Own a mobile phone

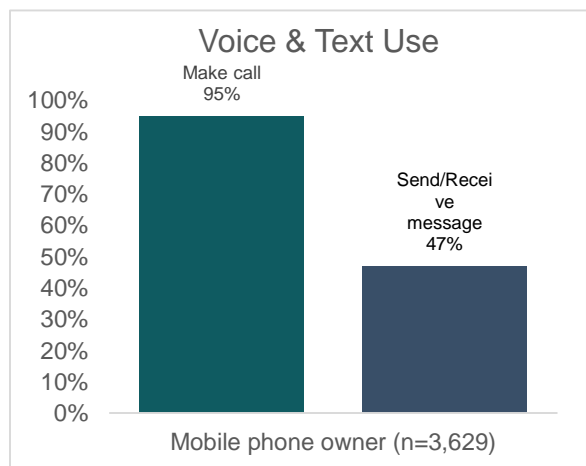


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Mobile phone use

Mobile phones are used primarily for voice while some barriers to text use exist

- While virtually all mobile phone users use voice to send and receive calls, just 42 percent use text messages.
- For text/SMS, many users find reading and writing messages a challenge due to language or character alphabet communication as well as low technical literacy.



Barriers to effectively using text/SMS observed in the focus groups

- **Text language barriers** – Many participants in the study’s focus group discussions did not understand the SMSs sent in English.
- **Interface language barriers**- An influx of Chinese phones have been well received due to their low price point but have proved to be challenging, even for the literate, as the interface is in Chinese. Thus, users require assistance operating their mobile phones and seek support from a number of sources.
“[With the phones from China] we have this problem that the China [phone] menu [is] almost completely in Chinese. Some menus of theirs ... we fail to comprehend. Their games [on the phones] are also written in Chinese and we don’t understand them. And SMS language setting is another story.” (Male, user, urban, Sindh)
- **Keyboard issues** – Participants also have difficulties writing SMS in Urdu because it is hard to type in Urdu on a Qwerty keyboard. However, this still seems to be the preferred format because it allows both English and Urdu words to be spelled out using the Roman alphabet.
- **Technical literacy challenges** – Many who are less tech savvy struggle with options despite understanding them linguistically.

Source: InterMedia Pakistan FII Qualitative Studies 2013-2014

DETAILED FINDINGS

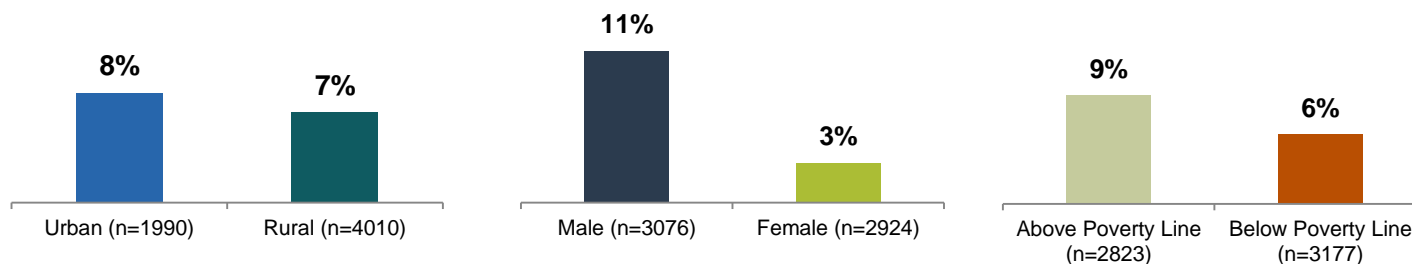
MOBILE MONEY: AWARENESS & USE

PAKISTAN

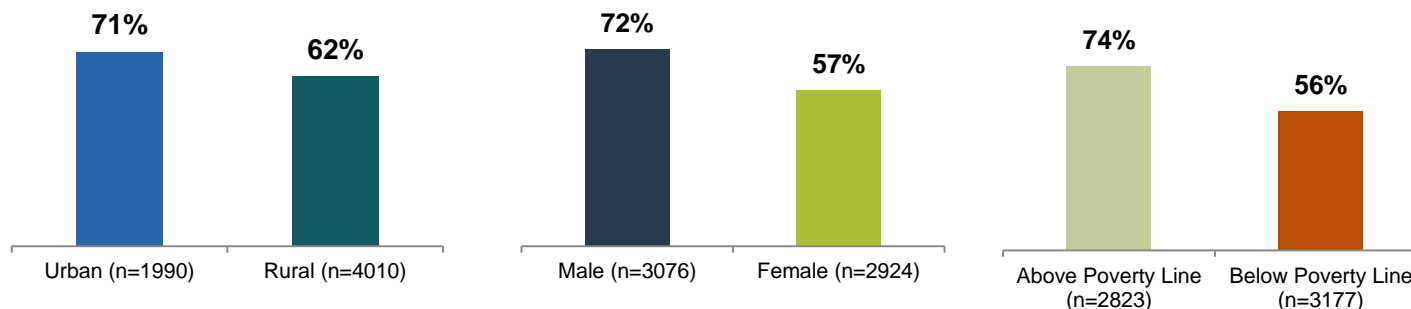
Mobile money trends by key demographic groups

- **Awareness pathway to use** - While awareness is well over 50 percent in all demographics, actual mobile money use is just 7-11 percent across demographics.
- **Gender** - A gender gap in awareness and in the use of mobile money is likely due to social restrictions on women spending time outside the home and the fact that using mobile money often involves interacting with men outside of the family (see Gender section).
- **Rural areas** - Due to effective mobile-phone advertising campaigns in the rural areas, awareness and use alike are almost in line with urban populations. In addition, rural inhabitants may be more motivated to use mobile money than urban residents in that there are few formal banking services in rural areas, so mobile money is becoming a more convenient, if not the only, option.

Ever Used Mobile Money



Aware of Mobile Money



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Mobile money providers

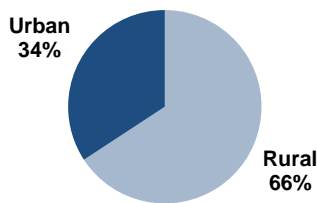
Telenor EasyPaisa dominates the current market

Mobile money provider	% of mobile money users who had used a provider (n=428)
Telenor EasyPaisa	87%
UBL Omni	13%
Mobilink Mobicash	9%
Ufone/Upayment	5%

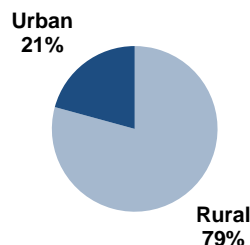
*Active mobile money account holders can have accounts with more than one provider.

Customer Demographics

Telenor Easy Paisa (n=366)



UBL Omni (n=53)



- EasyPaisa has a greater urban skew than UBL.
- Otherwise, the two brands serve comparable demographics in terms of poverty level and gender.

During the study's focus group discussions, Easy Paisa was the most well known, trusted brand and most commonly available provider at agent locations, and was said to have better service:

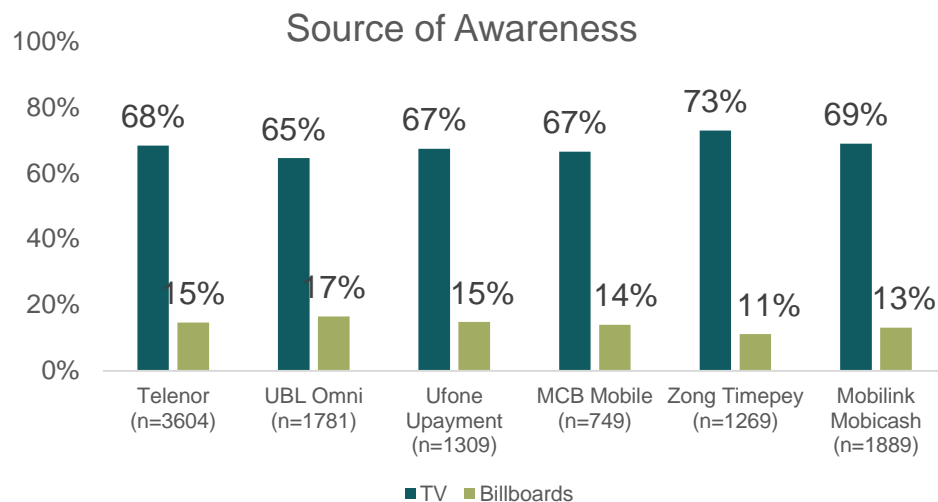
- "Well since Easy Paisa started first, it is the most famous. Whoever comes asks for Easy Paisa. Then we [tell] them that we have MobiCash or UPaisa and don't have Easy Paisa. So if someone agrees [to use other services] then we do the transaction, otherwise it's up to them." (Mobile money agent, male, Karachi, rural, multiple providers, one year of experience)
- "Their [Easy Paisa] agents are more and their... system is running very well compared to [others]." (Mobile money agent, male, Lahore, urban, single provider, one year of experience)
- "Because it [Easy Paisa] is very old and customers have trust. It has service everywhere and no money is lost." (Mobile money agent, male, Karachi, urban, multiple providers, three years of experience)

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Brand awareness: channel of communication

TV is the primary channel to learn about mobile money

- For each mobile money offering, television was clearly the primary source of people's awareness of the product. Eighty-three of all respondents own a TV so this can be an effective outreach channel.
- Billboards were the second most common source of awareness about mobile money, ranging from 11 to 17 percent of responses for each mobile money service.
- Mobile money providers deliver extensive marketing campaigns due to the highly competitive nature of the market. Later entrants to the market, Telenor and Mobilink, in particular, are making substantial investments in marketing to catch up to the current market leaders.
- However, there are still some misconceptions about the services and many potential users are not familiar with the range of service offerings available through mobile money (see focus group box).



Source: InterMedia Pakistan FII Tracker survey (N=6,000, 15+) November 2013-January 2014

Focus Group Findings

More awareness needed among nonusers

Although there is brand awareness when it comes to mobile money, most nonusers are unfamiliar with the true potential of mobile money. Most assumed it was simply a money transfer tool targeted at the rich rather than the poor.

Some nonusers identified opportunities for mobile money that already exist

"If we can do our shopping through mobiles that would be great."

(Male, nonuser, rural, Punjab)

Lack of trust is also a barrier to use for nonusers of mobile money

"What if the receiver does not receive the money, then we are at a loss."

(Male, nonuser, rural, Punjab)

Source: InterMedia Pakistan FII Qualitative Studies

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Mobile money uses

Users still limited to basic mobile money services

Percentage of respondents who use mobile money for these top three purposes

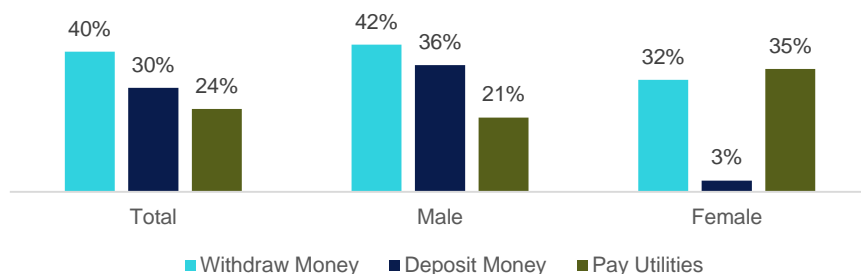
Base: mobile money users (n=428)

① **52%**
Withdraw/deposit Money

② **31%**
Send/receive P2P Transfers

③ **24%**
Pay a utility bill

- Withdrawing and depositing money were the main purposes for using mobile money.
- Clear gender trends emerge as women more often pay the utility bills while men generally deposit the most money.
- Immediate need for the services – such as for emergency money transfers or urgent bill payments – led many to try mobile money for the first time.
- Continued mobile money use led to greater trust in the services among users. (Source: focus groups).



Base: (N=6,000)

P2P transfers – Eighty-eight percent of respondents (83 percent of males, 94 percent of females) send money to or receive money from other people. Thirty-one percent of mobile money users use mobile money to send or receive P2P transfers.

Reasons for first starting to use mobile money

“My out-of-city relatives needed some money urgently, so I phoned them and they told me to send it and I asked them if there was an easier way, and they said do it like this and it will get it in a few hours, and I went to a franchise and sent it from there.” (Male, user, urban, Sindh)

“It started with someone asking us to send them some money urgently, using this service, and even though we had doubts as to its effectiveness, we used it to send money to that person at their own risk. But thank God he received the money.”

(Female, user, urban, Punjab)

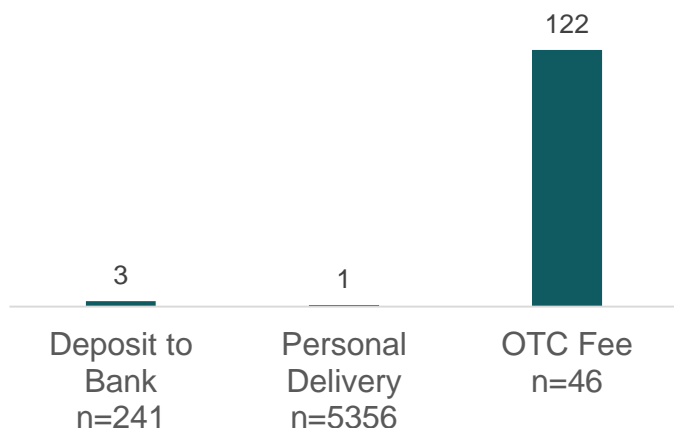
Source: InterMedia Pakistan FII Qualitative Studies

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Sending/receiving money

Mobile money transaction fees are a cost consideration relative to negligible fees for bank deposits and personal delivery

Average transaction fees
by method of sending/receiving
money
(PKRs)



- As transaction fees for personal delivery of cash and bank deposits are low, the relative cost of mobile money services is a consideration for senders and receivers of money.
- With an average transaction valued at PKR 2,921 (\$28.90), the mobile money fee equates to 4 percent of the cost.*
- However, this does not take into account time, transport and other costs that would be incurred informally with a bank deposit or by using personal delivery methods.

Average time to complete a
mobile money transaction

15 minutes

* The average cost was calculated based on respondents' three most recent OTC mobile money transactions.

Source: InterMedia Pakistan FII Tracker survey (N=6,000, 15+) November 2013-January 2014

PAKISTAN

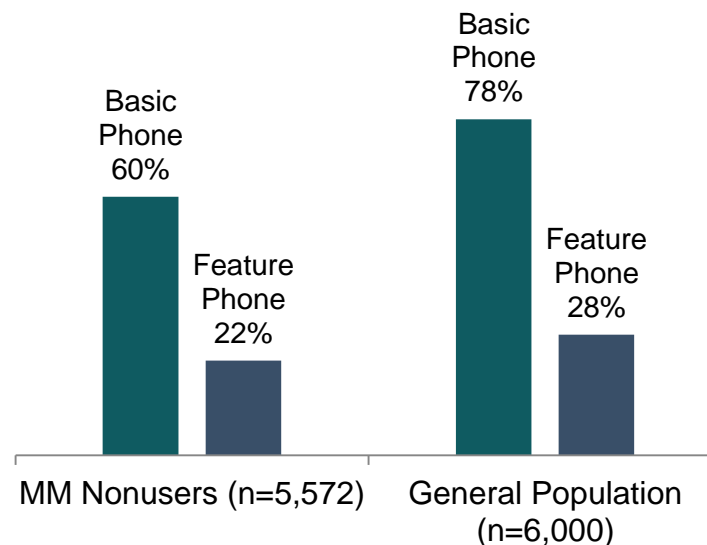
Mobile phone capabilities of mobile money nonusers

Owning one's own mobile phone is a strong factor in motivating people to use mobile money

- Sixty percent of nonusers had access to a basic phone, while 22 percent had access to a feature phone; this is considerable lower than the population average of 78 percent and 28 percent, respectively.*
- Nonusers are more at ease with making and receiving phone calls than sending and receiving text messages (SMS).

Task	Without Help
Receive phone calls	67%
Make phone calls	66%
Send and receive SMS	29%
(Mobile money (MM) nonusers, base: n=5,572)	

Types of Phones Accessed



*Some respondents had access to more than one type of phone.

Source: InterMedia Pakistan FII Tracker survey (N=6,000, 15+) November 2013-January 2014

DETAILED FINDINGS

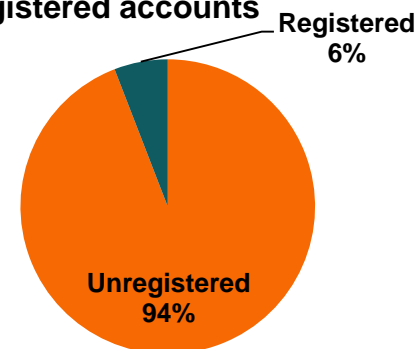
MOBILE MONEY: AGENTS & REGISTRATION

Mobile money registration

Ninety-four percent of transactions are non-registered and over-the-counter (OTC)

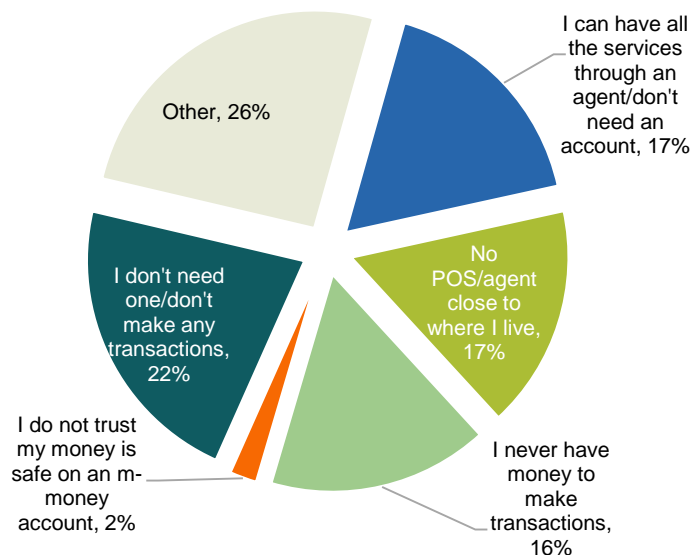
- Ninety-four percent of the respondents who use mobile money services have not registered their own accounts, preferring to conduct transactions through an agent's account.

Percentage of mobile money users with registered accounts



Base n= 428

Reason for not registering for mobile money – OTC users (n=399)



- The main reason given for not registering for mobile money -- no need to make transactions that require this. This may be due to a lack of knowledge of the wider range of services available through mobile money. (See the following slides with focus group results.)

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Barriers to registration: why users choose OTC

- **Lack of education** - Many customer interviewees said they were too “uneducated” or “illiterate,” and were not confident they would be able to perform mobile money transactions without a mobile money agent present to guide them.

“I’m not that educated, therefore, I don’t understand the mobile menu. Also, I don’t have enough money to first transfer it in my mobile and then send it.” (Male, shopkeeper, Karachi, urban)

Agents agreed that most of their customers will not be able to conduct transactions independently.

“They [users] don’t know the correct procedure. They are at home and their account gets blocked, they forget the code. He is an illiterate person and he does not know how to contact or how to use. Then it is really hard.” (Mobile money agent, male, Lahore, urban, multiple providers, four years of experience)

- **Lack of awareness about available services** - Some others said they are not registered because they need more information about what kinds of services can be used once an account is registered.

“I use agent’s account to send money because I don’t have enough information about other methods of sending money.” (Male, age unknown, Kasur, rural)

- **Unfamiliar with options** - Several customers did not know that registering for an account was an option or what precisely registration entailed. They did not know of the processes, reasons, or need for registration. Agents agreed that customers knew little about registration.

“As I mentioned earlier, they do not know that this [registration] is even an option. Approximately 90 percent of the customers would not know that they can open an account and transfer money.” (Mobile money agent, male, Karachi, urban)

- **OTC considered convenient enough** - Many don’t see visiting the agent location as an inconvenience, especially when they are nearby.

“It was easy and accessible for me to reach the agent, since its location is quite close to my place of residence.” (Male, 23, student, Lahore, urban)

- **Safety and security concerns** - Customers say that conducting OTC transactions through an agent’s account is safer because the agent can guarantee a successful transaction and can correct any errors that might occur.

- **Perceptions exist that accounts are for the rich** – A registered account is perceived as something for more “privileged” customers or those who use it to send large sums of money for their businesses.

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Barriers to registration: why agents choose OTC

- **Agents do not have the necessary equipment to register customers and many are not informed about registration** – Very few agents have the ability to register customers because they do not have the special equipment needed to do so. In other cases, agents themselves know very little about registration, and, as a result, they cannot inform or assist customers. Many agents claimed they do not offer the registration service to new accounts and said registration can only be done through a special branch they can refer customers to. Many responses indicate that only UBL Omni allows agents to register customers.
 - “What do you mean by registered users?” (Mobile money agent, male, Hyderabad, rural, single provider, two years of experience)
 - “You mean mobile accounts. I don’t have any customers with a mobile account.” (Mobile money agent, male, Karachi, rural, multiple providers, one year of experience)
 - “No I don’t think any such process (registration process) exists.” (Mobile money agent, male, Kasur, rural, multiple provider, one year of experience)
 - “I do not have a lot of information regarding this hence I cannot guide a customer in this regard.” (Mobile money agent, male, Kasur, rural, multiple providers, one year of experience)
- **Agents lack incentives to encourage registration** – Agents often perceive that the commissions they would get from registered account use would not be as high as the fees they receive from processing OTC transactions.
 - “If the customer registers an account it would be very beneficial for him but less beneficial for the shopkeeper. For example, if I send Rs 2000 [US\$19.78], the company gives me a profit of Rs 20 [US\$0.20] but if I send it through the customer’s account, the company will give me a profit of Rs 12 or Rs 13. So obviously my profit is less.” (Mobile money agent, male, Karachi, urban)
 - “If a customer registers an account, we won’t get profit and instead the company will. Companies encourage them to make accounts. However if they get themselves registered, then our commission will go down.” (Mobile money agent, male, Lahore, urban, multiple providers)

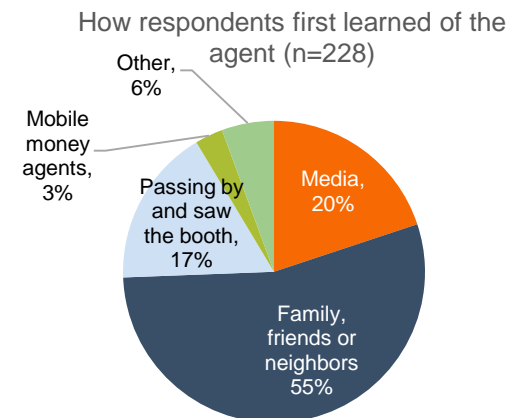
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Mobile money

Customer satisfaction is high with mobile money agents

- **Efficient service** - Almost all customers say agents are knowledgeable and they can handle their transactions with speed and efficiency.
- **Repeat customers** - Over half (54 percent) of those who have used mobile money, use the same agent all or most of the time; they were first made aware of this agent via a personal acquaintance.
- **Close by** - Most of these agents were within a kilometer of the respondent's abode, and it took less than 15 minutes of travel to get there. Most customers walked to the agent. Another 19 percent of mobile money users spend more than 15 minutes traveling to an agent; 21 percent use a motorcycle taxi or a minibus taxi.
- **Common problems with agents** - Very few mobile money users experienced any problems while attempting to work with an agent. The most common problems were: agent was absent (3 percent), mobile network was down (3 percent), and agent system was down (3 percent).
- **Capable agents** - Zero respondents reported encountering an agent that did not know how to perform the transaction. Furthermore, less than one percent (0.3) of respondents who have used mobile money reported being unable to complete a transaction through mobile money services in the past six months.
- **Areas for improvement -- more information:** Some customers commented they would like more information on products and value-added services, and would like to see pamphlets and other materials (including signage) on topics such as products and fees.

"The transaction process was very smooth. As soon as I arrived the agent handed me the money after checking my ID card and text message and did not waste any time." (Male, age unknown, Kasur, rural)



Common issues faced by agents while conducting transactions

- Limits on transaction amounts imposed by the central bank -- when customers have to send large amounts, agents have to turn away their business.
- Customers providing the wrong NIC number or mobile phone number of mobile money recipients can disrupt transactions.
- Occasional network failure.

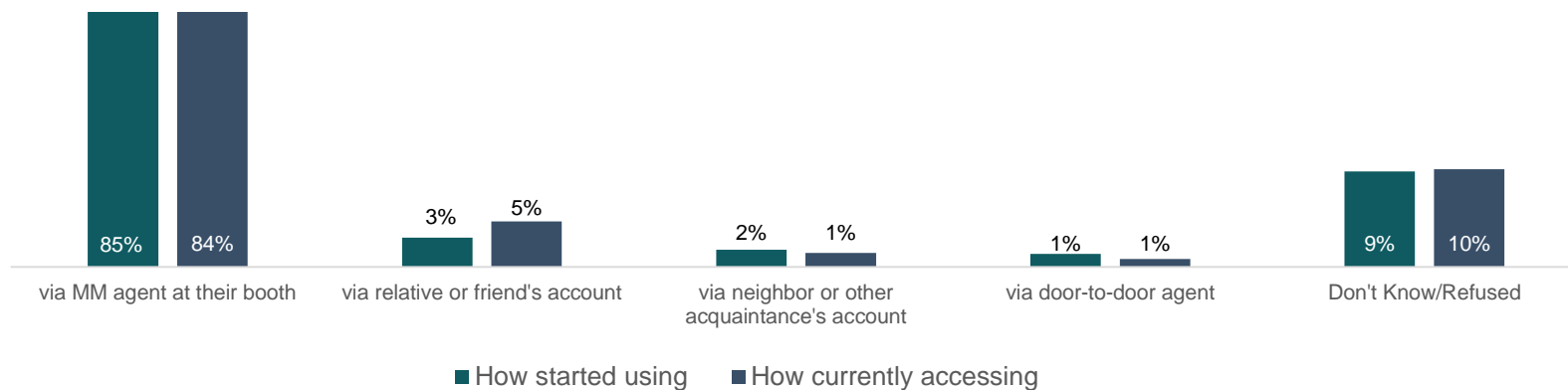
PAKISTAN

Mobile money

Most unregistered users have continued to use the same access method since first using the service

- Only one percent of unregistered mobile money users have even tried to register for a mobile money account.
- The top three reasons unregistered users gave for not trying to register an account were: I get all the services I need through an mobile money agent (42 percent); I don't have the money to pay for registration (16 percent); and I don't know where I can register (12 percent).
- A small percentage (5 percent) of the unregistered users indicated they would register for their own account if there was a dedicated agent to guide them through the process.

Unregistered mobile money users' starting path and current path of use (n=399)



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Factors for choosing agents

Trust is the most common reason users return to the same agents

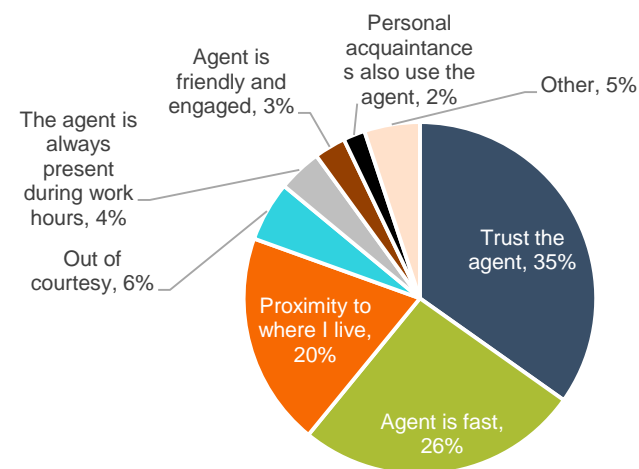
- **The top six agent locations** given by respondents, who used the same agent more than once were a mobile phone shop (37 percent), city market (22 percent), branchless banking shop (13 percent), general store (10 percent), grocery store (8 percent), or public call office (8 percent).
- **Trust is the most important factor:** This is the most important reason for returning to an agent.
- **Speed:** Doing their job quickly was also a highly valued characteristic.
- **Service offerings:** Customers go to a particular agent if they provide the particular mobile money service they need (e.g., the sender would tell the receiver to use a particular service provider available at a particular agent).

“I received a text message from UBL Omni and I knew that this particular agent location provides UBL Omni services along with Easy Paisa and Mobilink cash so I directly came here.” (Male, age unknown, Kasur, rural)

- **Proximity:** The agent location is the only one in the village or the one most accessible from customers’ residences. In urban areas, customers often choose agents because they happened to walk by their shops, or the agent is very close to where they live.

“...this is the only shop in our village/city. It’s just this one shop so we use it the most. We are familiar with it as well. He does it quickly, if we are in a hurry.” (Male, 35, Hyderabad, rural, brick kiln owner)

Main Reason for Using Same Agent (n=228)



DETAILED FINDINGS
GENDER ISSUES

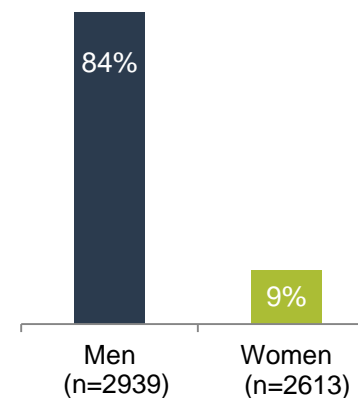
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Gender

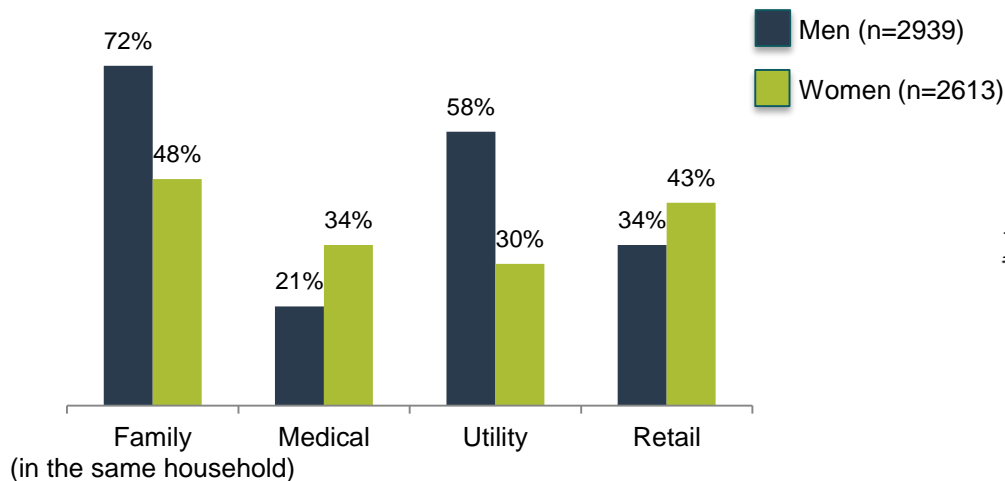
Women are less likely than men to have income-earning jobs and they have different payment patterns

- Only 9 percent of women report having jobs that earn an income, compared with 84 percent of men. This is due to the cultural norm; the majority of women take care of the house and men work outside of the home to gain income.
- Women are also more likely to make payments for medical issues and retail purchases, while men make more payments to other parties such as to family members and utilities.
- Women make smaller transactions than men, as these tend to be the everyday purchases required for the household.

Pakistanis who currently have a job that earns income



Percentage of people who make payments to the following types of people/agencies



Median size of transactions

Men: 1235 PKR (\$12.10)

Women: 767 PKR (\$7.51)

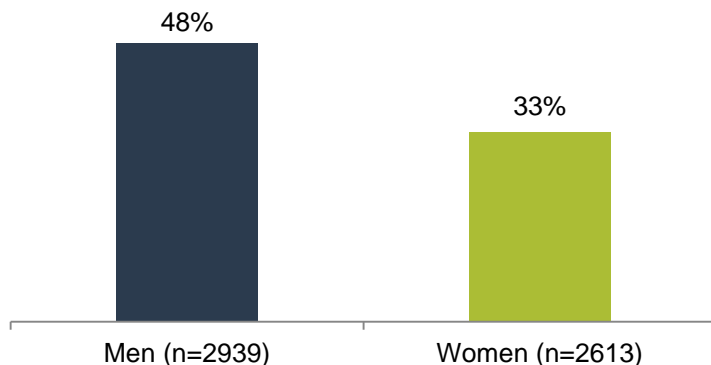
PAKISTAN

Gender

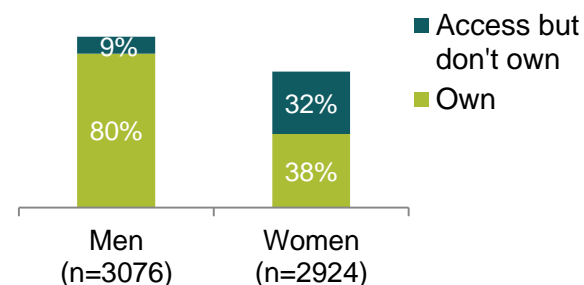
The gender gap in mobile ownership and access is significant

- Eighty percent of men own phones, compared with just 38 percent of women.
- However, among non-owners, women are more likely to borrow (52 percent) than men (43 percent), raising their total access to 70 percent.
- Many women, however, report they lack the required independence to simply own and operate a mobile phone, let alone use the phone to conduct financial activities.
- While virtually all mobile users make and receive calls, only 33 percent of women, versus 48 percent of men, send and receive text messages.

Respondents with access to a phone who have sent a text in the past 90 days



Mobile ownership & access



Women's mobile phone usage is restricted

Women have less individual access to phones. Even when they have their own phones they have to use it in a way that does not raise suspicions of inappropriate contact with men.

- *"My brothers or anyone living with us can use it [my phone]. You can't be too possessive about your phone or people might get suspicious."* (Female, user, urban, Punjab)
- *"Whenever a call comes, the name comes up. For example, my brother name is Rashid and if he calls then we see the name on the phone. We are not allowed to pick up any calls from random numbers."* (Female, nonuser, rural, Sindh)
- *"I don't have a mobile phone and only use my brother's phone. They put the phone on charging and if it rings, then we see the name of the person calling and tell my brother. If he allows, then we pick it up; if he doesn't, then we don't."* (Female, nonuser, rural, Sindh)

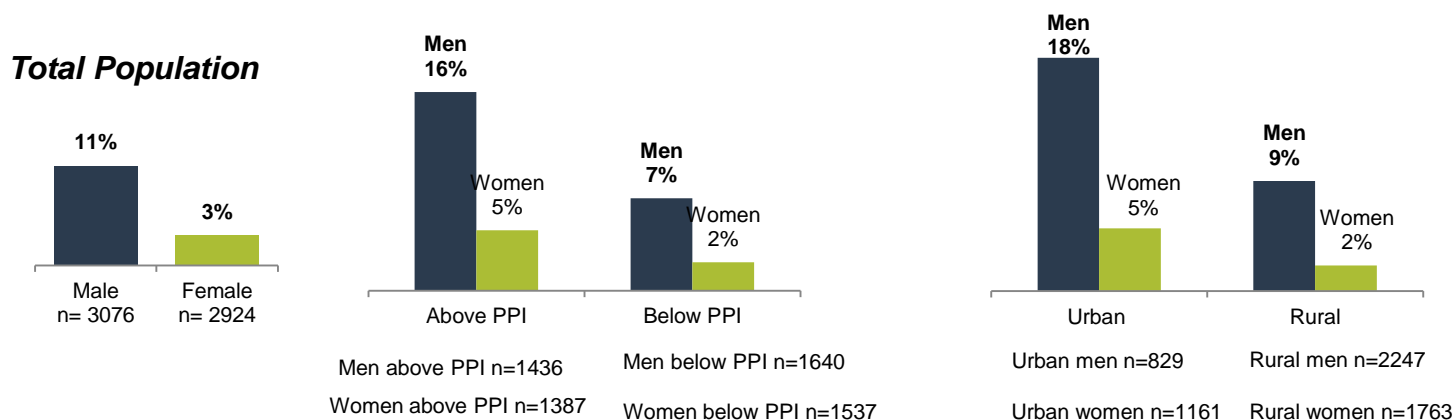
PAKISTAN

Gender

Gender gaps in formal banking are relatively similar in urban/rural populations and at different poverty levels

- Males are three times as likely to have bank accounts across different geographic and socioeconomic segments.
- The gender gap is largely similar in the rate of formal banking across geographic and socioeconomic segments, as males are approximately three times as likely to have bank accounts.
- The urban gender gap is the largest observed.

Portion of bank account holders (by gender)



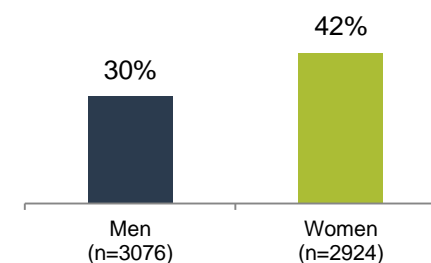
PAKISTAN

Gender

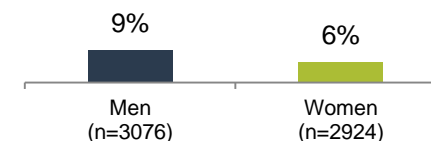
Financial behavior patterns show gender-specific preferences

- Women reportedly save more often than men, but borrow less frequently. This is likely due to the general household roles in which men are the income earners and women manage the household expenditures.
- Women and men choose different ways to save, which likely reflect these roles. Women are much more common users of ROSCAs (committees) as a method for savings. (See the earlier section on ROSCAs including the focus group study findings.)
- However, it should be noted that this survey was conducted (purposefully) on an individual, not on a household level, so many of the answers reflect actions that affect the livelihood of the whole household.

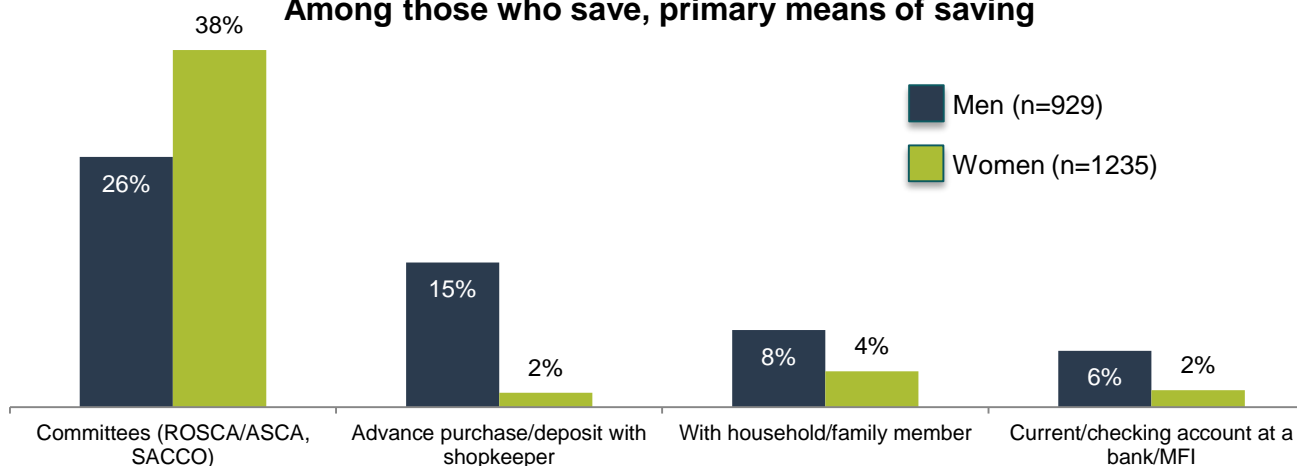
Percentage who save



Percentage who borrow



Among those who save, primary means of saving

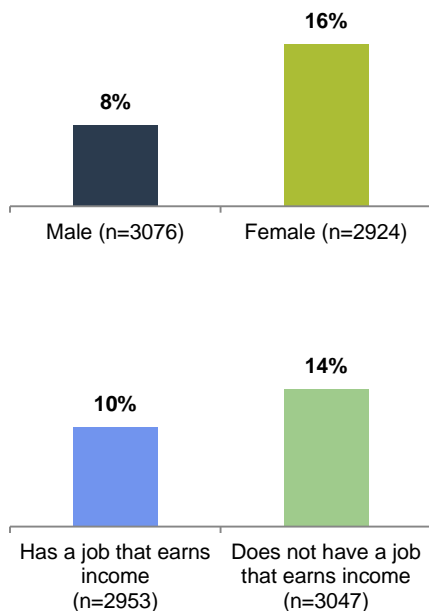


PAKISTAN

Gender

ROSCAs/committees are a popular option for savings for women and can be facilitated through a mobile money service

Percentage who save through ROSCAs within each demographic



- Mobile money could potentially extend the network capabilities of ROSCAs/committees

“It is much easy, now, to be part of a committee in another city. You can transfer the money every month using mobile money services. Like my friend's in Karachi are part of a committee here in Lahore. Also, some of our relatives live here and some live in Karachi. Initially, we used to ask them to give money on our behalf in a wedding or function. Now we don't need to do that. We can send them money and they can then give it on your behalf.”

(Female, user, urban, Punjab)

- As noted, ROSCAs/committees are popular savings tools for women and those who do not have jobs outside the home. Encouraging the use of mobile money to facilitate ROSCAs could extend the use of more formal financial services to some of Pakistan’s more vulnerable and financially excluded groups.

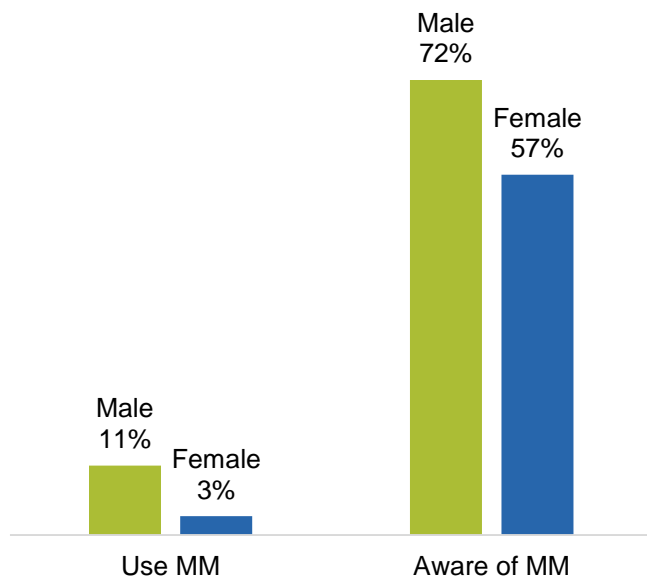
Source: InterMedia Pakistan FII Qualitative Studies 2013-2014

PAKISTAN

Gender

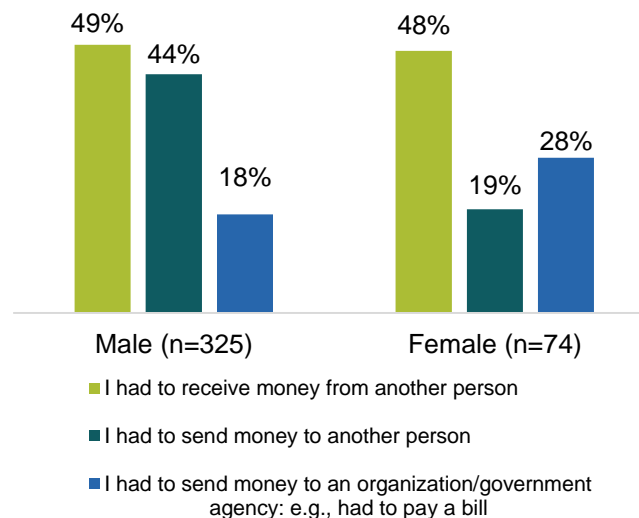
Women are more likely to use mobile money through the account of a personal contact

Mobile money use and awareness



Base: Male n=3,076 Female n=2,924

Why did you start using mobile money?



- Women were much less likely than men to have initiated a mobile money account to send money, while they were more likely to be paying bills or sending money to the government.

SAMPLING METHODS

SAMPLING METHODS

Sample size

The sample size is 6,000 respondents.

Sampling frame

- A nationally representative sample of adults (defined as those aged 15 or above) was developed using 2011-12 national population projections based on 1998 Census Data.
- The total sample was distributed proportionally to the size of the population within urban and rural strata in each of Pakistan's four provinces – excluding the federally administered tribal areas.
- The total population is further administratively divided into 5,000 census defined urban circles and 48,000 rural mouzas.

Primary sampling units (PSUs)

- Within urban strata, census circles and within rural strata, mouzas were selected proportionally to their population size.
- Ten interviews were conducted in each selected urban circle and mouza primary sampling unit.
- For security reasons, PSUs were divided randomly between male and female interviewing teams.

Sampling start-points, households and respondents

- The census circles and villages to which sampling points are assigned were mapped into blocks and a block was randomly selected. The household within the selected block from which interviewing commenced was selected by generating a random number between one and 10, and skipping that number of households from the first household that interviewers encounter when entering the block.
- After completing an interview at the randomly selected first household, subsequent households were selected using the right-hand rule (every fifth household in urban areas and every third household in rural areas)
- One respondent from each household was selected using the Kish grid method, and relevant consent for eligible respondents under 18 years of age was obtained.

Consumer Focus Groups Methodology

Objectives

Twenty-four focus groups were conducted with users and nonusers of mobile money to:

- Provide insights into why and how they access mobile money.
- Understand why nonusers are not using mobile money services.
- Understand barriers to and triggers for uptake and use of mobile money.
- Understand participants financial behaviors and current pain points and identify potential for new digital services.
- Map common transactions to see where mobile money services can facilitate financial inclusion.

	Punjab	Sindh
Urban, OTC user, above PPI	3 female groups	3 male groups
Urban, OTC user, below PPI	3 female groups	3 male groups
Rural, nonuser, above PPI	3 male groups	3 female groups
Rural, nonuser, below PPI	3 male groups	3 female groups

- Only the provinces of Punjab and Sindh were selected because of ethnic differences between the four provinces, which might not have been accounted for given the number of focus groups. According to the FII survey, 77 percent of those with access to mobile money were from Punjab, while 22 percent were from Sindh.
- For urban FGDs, provincial capitals were selected for both provinces. The districts for rural FGDs are adjacent to the provincial capitals.
- The age group for all participants was 25-34.
- There were eight participants in each group.
- OTC user is defined as someone who had conducted a mobile money transaction using a mobile money agent in the last 90 days.
- **Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line. PPI has been widely accepted in the sector of financial inclusion as the basic measure of poverty.

PAKISTAN

Agents/Customer Duo Study Methodology

Objectives

Thirty interviews with mobile money agents and 48 exit interviews were conducted with users of mobile money to:

- Provide insights into OTC transactions.
- Understand barriers to and triggers for uptake and use of mobile money.
- Understand the barriers to registration, from the perspectives of both users as well as nonusers.
- Problems faced by mobile money agents.

	Punjab		Sindh	
	Agent Interviews	Exit Interviews	Agent Interviews	Exit Interviews
Urban	10 (Lahore)	15 (Lahore)	10 (Karachi)	10 (Karachi)
Rural	5 (Kasur)	10 (Kasur)	5 (Hyderabad)	10 (Hyderabad)

- Punjab and Sindh provinces were selected for this study. In each province one rural and one urban location was selected. These were Lahore (Urban) and Kasur (Rural) in Punjab and Karachi (Urban) and Hyderabad (Rural) in Sindh.
- Specific districts within the provinces were selected from the group of districts included in the FII national survey.
- Sixty percent of interviewed agents were those who could only do transactions, while 40 percent could register customers as well.
- Seventy percent of exit interviews were conducted with male customers, while 30 percent with female customers in both provinces.
- Seventy percent of the agents had been in the mobile money business for more than 12 months, and 30 percent had been in the business for 12 months or less.

GLOSSARY

- **Access** to a bank account or mobile money account – Access to one or both of these accounts means a respondent can use bank/mobile money services either via their own account or via an account of another person.
- **Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.
- **Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else's account.
- **Adults with DFS Access** – Adults who either own a DFS account or have access to someone else's account.
- **Agent** – A person or business contracted by a DFS provider to provide services to DFS customers using their own bank or mobile money account.
- **Banked** – An individual with a registered account at a formal financial institution.
- **Basic literacy** – The ability of an individual to read and understand a short, simple statement with no or minimal help from another person.
- **Basic numeracy** – The ability to apply simple mathematical concepts. In the survey, basic numeracy refers to the ability of an individual to correctly answer at least two out of three simple arithmetic questions.
- **Below the Poverty Line** - In this particular study, adults living on less than \$2.50 per day (at 2005 purchasing power parity), as classified by the Grameen PPI.
- **Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). **For this particular study, digital financial services include bank services and mobile money services.**
- **Digital stored-value account (DSVA)** – An account in which a monetary value is represented in a digital electronic format and can be retrieved/transferred by the owner of the account remotely, without him/her physically present at a branch of a financial institution providing the account. For this particular study, DSVAs include a bank card (debit or credit) and a mobile money account.

GLOSSARY (cont.)

- **Financial inclusion** – A state in which all people who are able to use them have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients.
- **Financially included** – An adult who owns or has access to digital financial services.
- **Grameen Progress out of Poverty Index (PPI)** – A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line (less than \$2.50 per day).
- **Households** – All those who satisfy at least two of the following three conditions: (1) share the same food pot, (2) share the same roof or (3) have a common decision maker.
- **Interoperability** – The ability of users of different digital financial services (e.g., MTN Money and Airtel Money) to transact directly with each other without the use of intermediary organizations.
- **Lapsed registered/non-registered user** – An individual who has used a DFS on their own or somebody else’s account, but has not done so in the last 90 days.
- **Mobile money (MM)** – A service in which a mobile phone is used to access financial services.
- **PKR** – The national currency of Pakistan
- **Registered active user** – A person with a registered DFS account that has used it in the last 90 days.
- **Services beyond basic wallet** – DFS transactions that go beyond simple deposits, withdrawals, or money transfers.
- **SIM card** – A removable micro-card that contains a subscriber identity module that securely stores the electronic codes used to verify subscribers’ identities on mobile phones and computers.
- **Unbanked** – Individuals without a registered bank account.
- **Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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