

PMN and Telenor Microfinance Bank sign an agreement to digitize Pakistan's Microfinance Industry



Aslam Hayat, acting CEO, Telenor Microfinance Bank and Syed Mohsin Ahmed, CEO, Pakistan Microfinance Network signing the agreement along with senior representatives of both organizations.

ISLAMABAD – April 23, 2019: Aiming to further its efforts towards bringing the unbanked and underbanked into the fold of financial services, Pakistan Microfinance Network (PMN) has signed an agreement with Telenor Microfinance Bank (TMB), in the presence of the management of both institutions, to digitize Pakistan's microfinance industry through 'Digital Services Platform (DSP).' PMN is grateful for the support being provided by the UKAID's DFID for this initiative. DSP will enable Microfinance Providers (MFPs) to ride on the rail road of Digital Financial Service Providers with the twin objectives of increasing accessibility for clients and bringing efficiency through available distribution channel. The agreement will help the microfinance sector to achieve its goal of reaching out to 10m borrowers, 50m deposit accounts and 11m insurance clients by 2020.

PMN aims to leverage the capabilities of Telenor Microfinance Bank's branchless banking solutions to power its Digital Services Platform that will offer digital payments services in a shared hosting environment. Building such a platform for the microfinance sector is pivotal to increase outreach of financial services as envisaged by National Financial Inclusion Strategy (NFIS) and Financial Inclusion Programme (FIP).

DSP will be integrated with Telenor Microfinance Bank for its agent network for disbursement and repayment transactions. PMN will also be using the bank's services for daily settlement of funds with its members. This collaboration will allow clients of PMN member institutions to receive loans and deposit loan repayments at Telenor Bank's agents as well as through mobile wallets. This will help in increasing the outreach of microfinance institutions by leveraging the outreach of TMB's wide agent network.

Speaking on the occasion, Syed Mohsin Ahmed, CEO at PMN said, “This agreement is beginning of a long journey, a journey in which we want to keep a lens on our clients and work with our members towards end to end digitization of the Microfinance operations - from loan acquisition to recovery and from opening of m-wallet accounts to increased usability of those accounts. Our aim is to create a network effect that transforms the way we have been working and move towards digital transactions at the chabriwala level”

Aslam Hayat, acting CEO, Telenor Microfinance Bank commented, “Telenor Microfinance Bank (TMB) aims to enable the underserved people of Pakistan to transform their lives, by creating a digital ecosystem, whereby mobile wallets become a central platform, which will help achieve economic empowerment and rapid growth. This collaboration with PMN will enable their member institutions to receive and deposit loan repayments by leveraging TMB’s agents and wallets, thereby providing more convenience and wider accessibility.”

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About PMN

The Pakistan Microfinance Network (PMN or ‘the Network’) is an association of 46 Microfinance practitioners including Microfinance Banks and Non-Bank Microfinance Companies that provide financial services to the segment of population living at the bottom of the pyramid. PMN’s mission is to ‘support the financial sector, especially retail financial service providers to enhance their scale, quality, diversity and sustainability to achieve inclusive financial services’.

About Telenor Microfinance Bank Limited

Telenor Microfinance Bank (TMB) offers Easypaisa, Pakistan's first mobile financial services platform launched in 2009, which is also the first and only GSMA Mobile Money Certified service. Easypaisa has since developed into the largest branchless banking service in Pakistan in terms of agent network, active accounts, and transaction value, according to the State Bank of Pakistan. TMB also provides microfinance and related financial services to the less privileged and unbanked segment of the Pakistani society.

Ant Financial Services Group (“Ant Financial”), subsidiary of Alibaba Group has bought 45% stake in Telenor Microfinance Bank, a subsidiary of Telenor Group, to further develop TMB’s mobile payment and digital financial services. This strategic partnership between Telenor Group and Ant Financial combines TMB’s knowledge and local market presence and Ant’s technology in Alipay, the world’s largest digital payment platform, and other financial services, to bring mobile payment and inclusive financial services to individuals as well as small and micro businesses in Pakistan. For more information, please visit: <http://www.telenorbank.pk/>