

# SBI

## IMMEDIATE RELEASE

### **SBI Announces Branchless Banking Initiative**

*To support the UBL Omni model thereby bringing financial services to 10 million poor and un(der)served in Pakistan who are currently excluded from the formal financial sector, to improve their economic opportunity and ability to participate in Pakistani society*

**January 11, 2011**—(Chicago, IL, USA)-ShoreBank International Ltd. (SBI) announced today that it has received a \$6.9 million grant from the Bill & Melinda Gates Foundation to support a local bank, United Bank Limited (UBL), to scale up an electronic services platform in Pakistan.

In 2010, UBL, one of the leading banking and financial services firms in Pakistan, launched its branchless banking service, UBL Omni, with an initial network of agents at dukaans (shops) in Pakistan.

The international consulting firm SBI is now teaming with UBL to extend the reach of Omni to allow for low income people across all of Pakistan to store, transfer, and receive money safely via an extensive network of community-based agents and existing technology, including mobile phones.

Pakistan's financial system has grown significantly in the past few years but it still remains small relative to the size of the economy and in comparison with other emerging countries in Asia and around the world. Despite having a very large population of over 170 million people, less than 12% of Pakistanis hold formal bank accounts. By comparison, Pakistan has a very well established telecommunications and mobile networks sector.

"SBI has a terrific opportunity to partner with UBL in expanding the service reach of OMNI and consequently inclusive finance across Pakistan," said Laurie J. Spengler, President of SBI. "UBL Omni is the first bank to have successfully executed banking services in some remote and complex areas of Pakistan. We at SBI are delighted to join forces with UBL," added Spengler.

UBL will extend its network to offer full-scale electronic payments platform by providing cheaper, faster, and safer transactions to low income people in Pakistan. In the future, this platform is expected to link millions of unbanked to a financial system where they can access all kinds of services such as savings, credit and remittance services through formal and regulated financial institutions.

UBL Omni represents a major milestone in the evolution of finance that will reshape the traditional banking model by offering basic banking services across urban and rural Pakistan, well beyond the regular branch networks of banks.

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### **Add 1/ ShoreBank**

By working with UBL, SBI will strengthen the bank's capacity with regard to strategic and operational planning, segmentation of "bottom of pyramid" markets and design of appropriate financial products, customer uptake/marketing, building the agent network, technology, and cash management; ultimately, fostering financial inclusion in Pakistan.

"While we believe Omni represents a powerful tool to improve access to finance for the un(der)banked in Pakistan, in order to achieve scale, UBL required outside assistance in understanding the needs of the un(der)banked market and developing its strategy for growth. As such, in early 2010, UBL contacted SBI, a leading advisor to banks and financial institutions seeking to expand inclusive finance to the underserved," said Atif R. Bokhari, President & CEO of UBL.

"UBL's Omni offers customers a compelling value proposition – a convenient, safe and affordable means to send and receive money, a secure means of savings and a omnipresent agent network for both depositing and withdrawing cash," said Spengler. UBL Omni also presents a compelling business case for offering mobile money services through a bank-led model," added Spengler.

UBL has network of over 1100 branches across the country that can provide promotion, logistics and liquidity management support to a large network of merchants serving as Omni agents. As part of a commercial bank, the Omni platform can make a wide variety of products available to its customers, ranging from providing accessible options for making utility and other payments to transferring funds across the country, and offering a convenient tool for savings. This infrastructure, along with the trust associated with conducting financial transactions through a leading regulated bank, gives UBL Omni a significant opportunity to become a noteworthy example of a successful bank-led mobile banking model.

### **About ShoreBank International:**

ShoreBank International Ltd. (SBI) is an international consulting firm that advises all types of financial institutions in emerging economies to achieve greater inclusive finance. SBI is dedicated to expanding access to capital, information and services for small & growing businesses, entrepreneurs and households, to create an inclusive global financial system.

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## **Add 2/ ShoreBank**

Since 1988 SBI has worked in more than 76 countries, helping more than 200 commercial banks, microfinance entities and other institutions reach individuals and entrepreneurs who are otherwise too poor or too small to obtain access to quality financial services. SBI has overseen the disbursement of more than \$709 million in over 85,487 micro, small business and real estate loans to households and entrepreneurs with an average charge-off rate of less than 1.0%, and leveraged billions of dollars in private and commercial bank investment into underserved markets. More recently, the company is working with financial institutions to design and implement more expansive offerings of products and services for low to moderate income people, including savings products and technology-enabled platforms for greater reach.

For additional information:

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