

## **Jameel Ahmad: The State Bank of Pakistan's vision of financial inclusion through financial literacy**

Keynote speech by Mr Jameel Ahmad, Governor of the State Bank of Pakistan, at the Pakistan Financial Literacy Week 2024, Karachi, 8 March 2024.

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Deputy Governors and esteemed colleagues,  
Presidents and Chief Executives of Banks,  
Distinguished guests, ladies and gentlemen!

Assalam o Alaikum and good morning!

It is with great pleasure that I am inaugurating the first ever Pakistan Financial Literacy Week. This is a first-of its kind endeavour in Pakistan to champion financial literacy and inclusion on a national scale.

I am really looking forward to the series of events, competitions, and public engagements during the week. These activities aim to promote a better understanding of the financial system and highlight the importance of encouraging responsible financial behaviour in the general public, especially in youngsters.

Financial inclusion is a cornerstone of a thriving and equitable economy. As the central bank of Pakistan, our commitment to fostering financial inclusion is unwavering. We recognize that access to financial services is a fundamental right, and our mission is to empower citizens by providing them with the tools and knowledge needed to participate fully in the economy. When more people have access to financial services, it creates a broad base of consumers, savers, and entrepreneurs, and helps stimulate economic growth. It is our duty to dispel common misconceptions about formal financial services, and to engage the public in an informed, yet non-technical manner, to build their trust in the financial system. This is all the more important in developing economies like Pakistan, where the informal economy has a substantial share in overall economic activity and contributes to widespread prevalence of informal and unsafe savings and investment avenues. Better knowledge about financial services and products will help channelize resources towards productive use.

Ladies and gentlemen!

Financial literacy is our collective responsibility. The government, financial institutions, non-profit organizations, and educational institutions all have a role to play in promoting financial literacy in Pakistan.

I am happy that State Bank of Pakistan has been on the forefront in spreading financial literacy in the country. In collaboration with the banking industry and academia, we are proud of leading two iterations of the National Financial Literacy Program, one for adults and one for youngsters.

These initiatives are instrumental in disseminating financial literacy to more than 2.9 million individuals, with more than 50% female participation. In addition, an impressive 80% account opening rate of beneficiaries was witnessed under NFLP. I congratulate all of you, who served in this cause and made this initiative a success by transforming it into industry owned initiative.

Ladies and gentlemen!

Our more recent major initiatives have focused on expand financial services to the unbanked and underbanked segments of the society.

- a. First, SBP is moving in a more targeted manner to devise policies to better integrate the female population with the formal financial system. Sustained economic growth is not possible if half of the population is systematically excluded from the workforce. To plug this historical gap in the financial services industry, SBP has introduced the Banking on Equality Policy. It supplements our National Financial Inclusion Strategy and other initiatives to provide better access to financial services to women in our country;
- b. Second, SBP is spearheading multiple initiatives, in partnership with banks, to provide an equitable and easy access to drive usage of a range of financial services. They include RAAST, ASAAN Digital Account, ASAAN Mobile Account and more recently Digital Banks.
- c. Finally, SBP has introduced specialized schemes to enhance access to finance. These schemes include the SME Asaan Finance or SAAF Scheme, Refinance and Credit Guarantee Scheme for Women Entrepreneurs, Line of Credit for MSMEs, and Prime Minister's Youth Business and Agriculture Loan Scheme.

I am happy to share that these initiatives have made an impact on advancing financial inclusion in Pakistan. As of June 2023, there were around 177 million bank accounts in Pakistan. Of these, 83 million are unique accounts, which is 60% of the 137 million adult population. It is also important to note that the total number of accounts owned by women are 49 million, of which unique accounts are 29 million. These 29 million unique accounts represent more than 43% of the female adult population.

Although the financial inclusion indicators have shown improvement over the past few years, significant efforts are still required to catch up with regional and peer economies. In our strategic plan for the next five years "SBP Vision 2028", we aim to strengthen the financial inclusion framework through targeted policy initiatives with enhanced focus on digital means.

Ladies and gentlemen!

True financial inclusion requires individuals to understand how to leverage these services to improve their lives. This is where financial literacy plays a pivotal role.

By providing individuals with the necessary knowledge and skills to manage their finances wisely, we empower them to break the cycle of poverty, plan for the future, and

seize opportunities for economic development. Financial literacy enables people to make informed decision about savings, borrowings, investing, entrepreneurship and protect themselves from financial risks.

In this age of digitalization, let us plan to leverage digital platforms for massive outreach and greater impact in empowering individuals with essential financial knowledge. Digitalization heralds a promising future where financial literacy becomes more accessible and pervasive than ever before. We envision a future where every citizen has access to banking services through their smartphones, facilitating transactions, savings, and investments with ease.

Ladies & Gentlemen!

At the end, I would reiterate that SBP is committed to realizing a future where every citizen, regardless of their background or location, has the opportunity to participate meaningfully in the economic activities. Financial inclusion through digital means and financial literacy is not just our vision; but it is a collective responsibility to build a prosperous and inclusive Pakistan. I would like to congratulate the banks receiving awards in recognition of their commendable efforts in championing financial literacy campaigns.

I thank you for your time, and look forward to the wide range of interesting and engaging activities to achieve our overarching goal of financial inclusion.