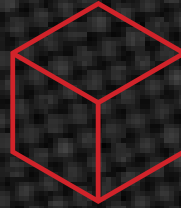
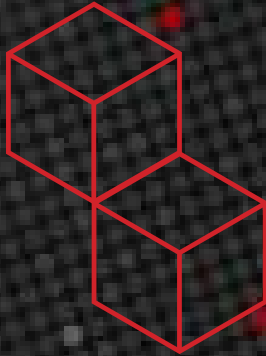


# Interview



## MOHAMMAD ALI IBRAHIM HEAD OF MARKETING & COMMUNICATIONS, MMBL

### What is the role of telecommunication in providing internet facilities and where do we stand currently?

Given my background in the telecom industry and owing to my current role in the financial sector, I believe connectivity is the key right now as the demand for technology is growing more with each passing day. The ongoing pandemic brought life to a standstill and the only way to continue going on was adapting to digital technologies. We saw many companies going through a complete digital transformation for sustaining themselves. The ever-increasing role of telecommunication and connectivity under such

circumstances cannot be undermined as it is only going to further increase in the times to come. Internet usage across Pakistan surged by 15% as soon as the first lockdown was imposed. Moreover, as per the latest statistics from PTA, Pakistan has over 185 million cellular subscribers, out of which 100 million use 3G/4G. This shows the huge potential that the telecom sector has to offer and the vastly growing expansion of the sector speaks volumes about the benefits it is providing to the masses.

### How is the microfinance sector empowering people? How is Mobilink Microfinance

Let me give you a brief background about the financial landscape in Pakistan. The country is home to over 220 million people and out of them, only 29% are banked. This means that a vast majority comprising of over 70% is still waiting to be served by financial institutions and banks. A country cannot progress or succeed unless its masses are truly empowered by placing everyone into the fold of financial inclusion.

Communities that were previously completely at the mercy of loan sharks who would charge exorbitantly high interest rates and enslave generations after generations through financial bondage, now have the chance to use microfinance to stand on their

own, independent and free. The incredible role being played by the central bank and the microfinance sector under its guidance in uplifting the marginalized segments of the economy should not be negated or buried.

Our services are different because we are trying to lessen the hardcore paperwork and facilitating people with easy loan applications that they can effortlessly understand and submit. MMBL is the largest digital bank of Pakistan with over 34 million registered users, and we have set ourselves the goal of empowering maximum people going forward, including the ones in far-flung areas, to promote financial

empowerment for all.

We have very recently launched our new digital banking app, Dost-powered by MMBL, which is

### **What is your focus as a microfinance bank?**

We are predominantly focusing on the rural areas of Pakistan as they constitute a major portion of Pakistan's population and out of our 100 branches nationwide, 85 are placed in such areas. Moreover, MMBL has a prime focus on financially empowering Small and Medium Enterprises (SMEs), women-led businesses, and providing housing finance to

offering convenient banking on the go and will make the onboarding and loan-seeking process even more efficient for our users.

individuals. SMEs and MSMEs are critical players that enable the entrepreneurial infrastructure and help strengthen the national economy with their contribution to the Gross Domestic Product (GDP). In Pakistan, around 99% of economic establishments are SMEs that jointly contribute 40% to GDP and 26% to the exports from the manufacturing sector.

### **Are the microfinance bank and a telecommunication company a good combination?**

Absolutely. Telecommunications, the internet, and digital banking go hand in hand. Jazz, the largest telecom operator in Pakistan, and MMBL, the largest digital bank are sister concerns of each other and our parent company, VEON, is based in Netherlands, Amsterdam. Moreover, the name 'Mobilink' has itself

built a trust factor and credibility amongst the masses over time. The combination is particularly useful as we have the largest number of m-wallets and a digital wallet cannot be used without a cell phone or cellular connection.

### **How, in your opinion, is MMBL different from the commercial banks on the digital banking front?**

Microfinance is relatively a young, yet booming sector in Pakistan, with its fair share of hurdles. It is individual-focused and provides money to needy individuals or small businesses that lack access to conventional resources. Microfinance also has lower costs of capital relative to risk, limited collateral, convenient terms and conditions, and greater leverage than traditional banks. Commercial banks have a major share of depositors in rural areas and facilitate lending in the urban whereas microfinance banks aid lending in the rural communities due to ease of the process while having more depositors in metropolitan cities. Furthermore, microfinance banks are people-focused

and sustain community engagement/ relationships.

We also offer nano-lending via our mobile wallet services, which can be as low as PKR 1000 and is easily availed through just a few taps on your phone. There is, of course, an AI-based algorithm developed by our data scientists which keeps track of the user's expenditure and usage patterns to identify whether you qualify for the loan or not. It considers aspects like your major expenditure areas, and whether you are timely fulfilling your financial obligations such as utility bill payments, etc.

### **What is your way forward from here on? Any particular plans in mind. Suppose we expand the internet access in the country and increasing is connectivity everywhere.**

The future is digital. The coming years will witness substantial growth in fintech and this trend will be taken up swiftly by microfinance banks, as evident from the sector's performance through the recent global pandemic. A growing number of the population is using cell phones and a vast majority of them have 3G/4G connections (approximately 45.6%) in Pakistan and this significantly indicates the inclination of people towards a more digitized world. To keep up with this progress, it will be vital for MFIs and banks to expand their operations through the implementation of more technology-oriented customer services and improved digital financial ecosystems.

ever-evolving needs. We recently launched the Bint-e-Hawa deposit and loan account, which is specifically aimed at empowering women from all fields and backgrounds as it is a key strategic priority for MMBL. Also, Commercial Vehicle loan is one of our top-performing products. Other loans include Karobar loan, School loan, and Khushhal Kissan Loan, which are significantly improving the lives of our borrowers and creating success stories, that positively impact communities around. We aim at further fostering financial inclusion for all by introducing more digital products and services, with increased ease of access. We are putting great focus on digitalizing the overall banking experience of our customers that would ultimately help reduce our operational costs as well as increase our outreach, all across the country.