PAKISTAN FINTECH FORUM III

FINTECH FOR ALL: EXPANDING FINANCIAL INCLUSION ACROSS PAKISTAN

WHITE PAPER

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Pakistan Fintech Network

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Executive Summary

The Pakistan Fintech Forum III brought together central bank officials, regulators, fintech founders, and banking executives to outline a shared vision for accelerating digital financial inclusion. Leaders from the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) emphasized progressive regulation, infrastructure upgrades like RAAST and ATS+, open banking frameworks, cloud-based sandboxes, and initiatives to enable alternative credit scoring, asset fractionalization, and secure interoperability. Discussions underscored the need to digitize informal sectors, enhance cybersecurity, and bridge gaps in access for unbanked and underserved populations, especially women, SMEs, and rural communities. Cryptocurrency regulation remained a contentious yet evolving topic, with stakeholders calling for balanced oversight to harness its potential responsibly.

Industry panels showcased practical strategies for scaling adoption, including shared KYC systems, embedded finance, merchant digitization, and platform partnerships. Executives from leading fintechs and banks shared case studies on AI-driven personalization, fraud detection, modular architecture, and cloud-native banking. The youth-focused sessions explored Gen Z's financial behaviors, stressing the importance of localized design, gamified education, and culturally relevant engagement. Across sessions, the consensus was clear: Pakistan's digital finance ecosystem has the technology, regulatory support, and market demand to scale rapidly. Achieving this will require ecosystem-wide collaboration, customer-centric product design, and an unwavering commitment to trust, inclusivity, and agility.

Syed Nadeem Hussain (Chairman, Pakistan Fintech Network)

Syed Nadeem Hussain chairs the Pakistan Fintech Network (PFN), launched around five years ago. It initially included about 60 members, fintech firms, digital banks, and software houses, united under the vision of **"Fintech for All."**

He underscores the State Bank of Pakistan's role as a central convener for policy collaboration alongside insurers and NADRA, especially to leverage large-scale data. Noting platforms like Jazz Cash and Easypaisa, he highlights that they manage immense lending volumes, processing hundreds of thousands of nano-loans daily

Hussain emphasizes data-driven nano-lending as a transformative phase for financial inclusion. He describes data as **"sunshine,"** advocating that companies with reliable data should pursue partnerships

He then speaks on tokenization and fractionalization of Bitcoin, gold, and equities to democratize investment,allowing users to hold fractional asset ownership digitally, and funnel informal flows into formal asset classes.

On the regulatory front, he acknowledges growing interest in cryptocurrency in Pakistan. While cryptocurrency is currently banned, he confirms SBP's efforts toward creating a dedicated regulatory body to oversee crypto exchanges and integration into the formal financial system.

He cited analytics-based estimates:

400–500 million crypto transactions monthly

10–20 million active crypto wallets

$10 billion in crypto assets

While these numbers couldn't be directly verified, public data suggests Pakistan has around 40 million crypto wallets with annual trading volumes estimated at $300 billion, and roughly 25 million active users.

Mr. Inayat Hussain Chairman, Pakistan Fintech Network, (Deputy governor State Bank Pakistan)

Vision for Financial Inclusion

Mr. Hussain framed financial inclusion not merely as policy but as a national necessity, highlighting Pakistan's significant unbanked and underbanked population. He stressed the role of fintech in expanding equitable economic access across the country.

RAAST Instant Payment System & Sandbox

He introduced RAAST, Pakistan's real-time, low-cost digital payment infrastructure operated by SBP, launched in January 2021 (bulk) and P2P in 11February 2022, which now processes over 1.5 million transactions per day.

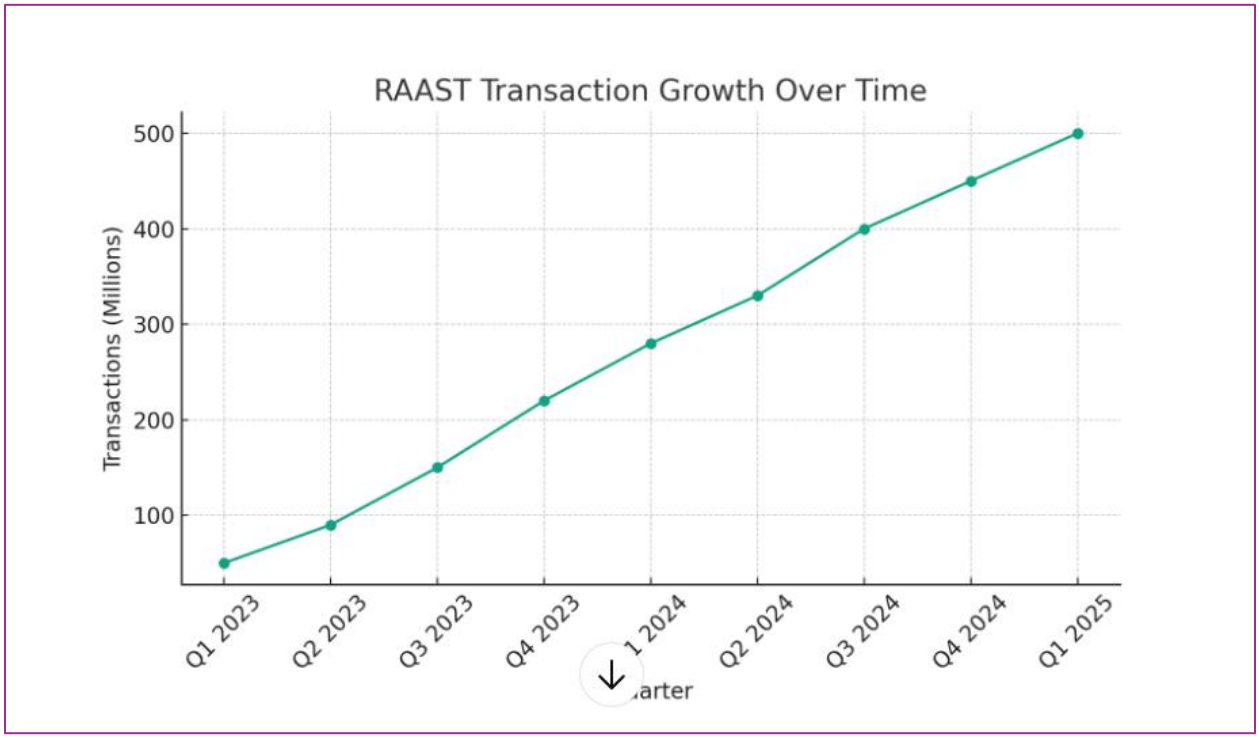
Mr. Hussain also announced SBP's cloud-based regulatory and technical sandbox, designed to let fintech's prototype solutions using AI, blockchain, and open-source frameworks under regulated conditions.

Modernizing Payment Infrastructure (ATS+)

He noted the upgrade of SBP's RTGS system to ATS+ (also referred to as Prism+), which integrates AI and Sharia compliance, enabling faster, 24/7 interbank settlements and improved scalability.

Open Banking

Mr. Hussain discussed open banking models allowing consumers to authorize fintechs to securely access their bank-held data (such as transactional history), enabling tailored services while maintaining data protection and privacy.



CBDC Pilot & Virtual Asset Regulation

He confirmed SBP is exploring a central bank digital currency (CBDC) via ongoing Proof of Concept projects, and is engaged in partnerships potentially including UAE counterparts to assess use cases like cross-border payments

Fintech-Bank Integration & Risk Challenges

He highlighted the need for collaboration between agile fintech startups and established banks, combining innovation with reach, and pinpointed credit risk assessment in informal economies as a key barrier, noting data-sharing reluctance and initiatives like government-backed risk-sharing.

Alternative Data & Tax Digitization

He acknowledged limited access to telecom data as a constraint, but said alternative analytics and scoring models are being explored. He urged digitization of informal businesses, paired with tax advisory, to boost compliance and access to capital (citing platforms like Digikhata).

Public Sector Digitization & Cybersecurity

While SBP has digitized most federal payments (e.g. salaries, pensions), provincial levels like education fee collection lag. He voiced concerns over rising financial fraud and underscored the adoption of AI-based fraud detection and regulatory mandates to strengthen cybersecurity.

Asset Fractionalization & Cross-Border Examples

He suggested fractionalizing assets like gold or livestock to broaden investment access, referencing Saudi Arabia's initiatives enabling small-value transfers to direct bank wallets as a model to enhance remittance flows.

Capital Constraints & Execution Risks

He noted early-stage fintechs face capital shortages amid global tightening, while emphasizing that execution capacity, not just ideas, is critical. SBP is encouraging banks to invest in fintech for sustained growth.

Regulatory Gaps & Cryptocurrency Oversight

Mr. Hussain clarified that while Pakistan's official stance on cryptocurrency is currently in flux: The SBP has clarified it is not formally illegal but remains unregulated, while other government statements maintain that the effective ban persists until a legal framework is enacted., it requires either formal licensing via the new framework or prohibition to mitigate risk. He advocated adapting proven global fintech models (e.g. from China) under appropriate regulation.

Panel Discussion 1: Banks and fintech's forging Pakistan's Digital Future Together

This panel discussion focuses on how fintech Banks and startups can collaborate to drive digital adoption, improve access to finance for SME's and accelerate automation. It further focuses on partnerships that are transforming Pakistan's digital landscape. The following are the panelists:

- **Mr. Muhammad Raza - Chief Growth Officer, Switch (Moderator)**
- **Mr. Tugril Ahmed Turab Ali Turab Ali- EVP, Head of UBL Pay**
- **Ms. Mariam Parvez - CCO, Abhi Microfinance Bank**
- **Mr. Shahzad Khan - Chief Business Officer, Easypaisa Digital Bank**
- **Mr. Khurram Mumtaz - Head of Neo Retail Mashreq Digital Bank**
- **Mr. Atyab Tahir - Senior Fintech Expert and Consultant**
- **Ms. Iman Urooj - Chief Operating Officer, Safe pay**

Mr. Shahzad Khan - Enhancing Financial Services: Collaboration Between Commercial Banks and FinTech's Under Regulatory Oversight

Mr. Shahzad Khan argued that successful collaboration between commercial banks and fintechs requires a shared vision and sustainable strategy. He noted that fintechs often aspire to become banks, while banks want fintechs as agile partners. Fintechs lack a strong cash-management infrastructure, whereas banks struggle with costly branch expansion, making partnerships essential.

He illustrated this with Easypaisa, launched in 2009 by Tameer Microfinance Bank (founded by Nadeem Hussain, later acquired by Telenor). Easypaisa began as a payments service, then evolved into Pakistan's largest branchless banking network and in 2025 became the

country's first licensed digital retail bank. Today, Easypaisa supports partnerships with many financial institutions, handling digital disbursements and repayments. Shahzad stressed that progress must start with infrastructure, followed by data, then credit scoring. He emphasized the need for interoperability across agent networks, ATMs, and POS machines, and supported developing shared KYC models to cut onboarding costs. He praised the State Bank of Pakistan's progressive regulatory stance, noting that fintech–bank partnerships are not random but shaped by industry needs. Such collaborations, he concluded, are vital to build a more inclusive and efficient financial ecosystem.

Mr. Atyab Tahir – Bank and Fintech Partnerships: Complementary Forces or Competitive Overlap

The State Bank of Pakistan's RAAST system, launched in 2021, is a cornerstone of this trust. Backed by SBP, RAAST enables secure, real-time, low-cost payments and processed 371 million transactions worth PKR 8.5 trillion in Q1 FY2025. Its association with SBP provides what Atyab Tahir calls "implicit trust," like the role cash plays today.

Pakistan's economy is valued at about $390 billion, with nearly one-third informal. Digitizing this informal sector could unlock massive economic potential, as studies show digital payment adoption directly supports GDP growth.

To build confidence, both government and industry must ensure secure, always-accessible digital services, invest in internet infrastructure, and incentivize adoption, for example, through zero-rated apps that keep essential platforms available even during downtime.

Ms. Iman Urooj - Digital Vs Finance: Navigating operational Challenges / Implementation of finance bill

Ms. Iman Urooj shared Safe Pay merchants' concerns over the Finance Bill 2025's **20.5% tax on cash transactions > PKR 200K**, which shifts compliance to fintechs and small merchants. She urged policymakers to **simplify requirements** and broaden the tax base. She stayed optimistic: banks' **scale** and fintechs' **innovation** are **complementary strengths**, and **"Cash is the common enemy."** True digital adoption needs **strategic partnerships** built on trust.

Mr. Khurum Mumtaz - Reducing Cash Usage and Accelerating Digital Payment Adoption in Pakistan

Khurram Mumtaz emphasized the need for a national push toward **minimizing cash usage** and accelerating the **digitization of payments**. He proposed a **three-year plan** to significantly reduce cash circulation, leveraging technologies such as **tap-and-pay**, **Google**

Pay, and **Apple Pay**, which are entering the Pakistani market. He stressed that achieving this goal requires collective effort from all stakeholders to discourage cash and promote digital payment adoption

Mr. Tugril Ahmed Turab Ali - Digital Over Cash: Incentives, Tax Culture, and the Economics of Payment Transformation

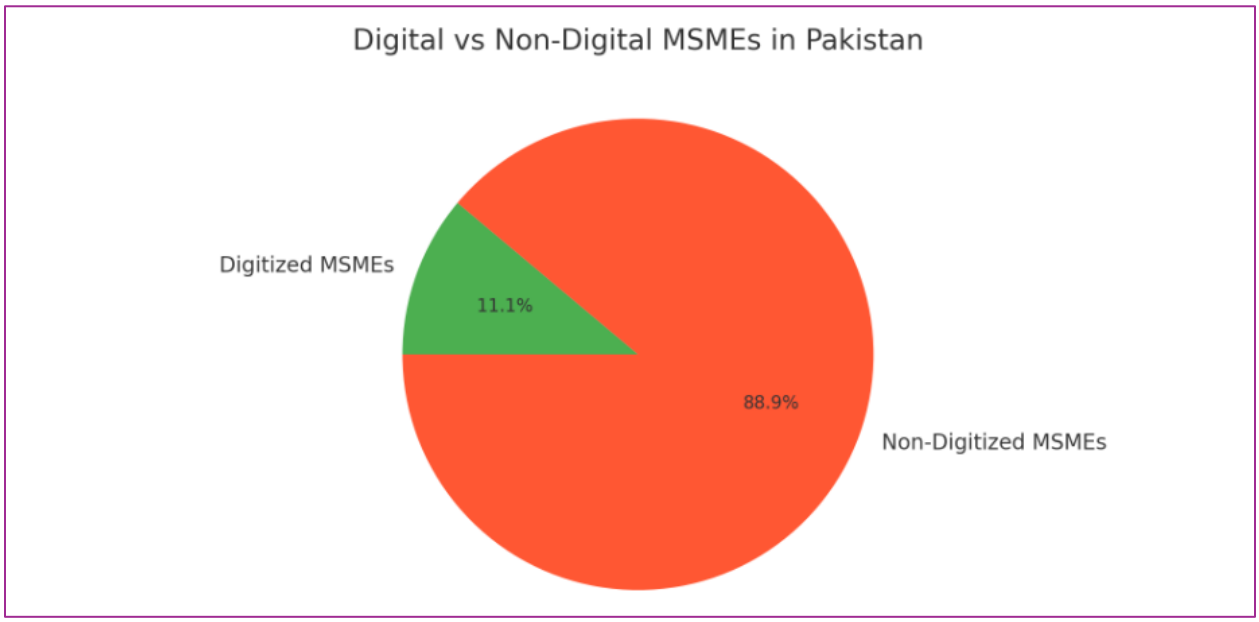
Mr. Tugril Ahmed Turab Ali outlined UBL Pay's two businesses: merchant digitization (POS, SoftPOS, QR, IPG, mPOS) and branchless banking via OMI. He stressed that the real barrier to digital adoption is not technology but behavioral incentives, merchants want to know the economic benefits.

UBL Pay now serves 55,000 merchants, yet only about 600,000 of Pakistan's 5.4 million MSMEs are digitized, showing untapped potential. Challenges remain in network reliability, device access, and customer education. Amir cautioned against premature monetization or restrictive rules, urging focus on scaling the ecosystem, simplifying onboarding, and building trust so digital payments can expand organically.

Summary

The panel emphasized the strategic importance of collaboration between banks and fintechs to expand financial inclusion, digitize payments, and enhance efficiency under progressive regulatory oversight. Discussions highlighted that while fintechs bring agility, innovation, and digital onboarding capabilities, banks contribute scale, trust, and infrastructure, making partnerships mutually beneficial.

Speakers addressed critical enablers such as interoperability, shared KYC frameworks, and behavioral incentives for merchants and consumers to adopt digital payments. Key themes included leveraging the RAAST instant payment system for secure, low-cost transactions, digitizing the informal economy to unlock GDP growth, and aligning tax policy with adoption incentives. Panelists also stressed the need to minimize cash usage within three years through contactless and mobile payment technologies, while simplifying onboarding, enhancing trust, and maintaining a customer-first approach to scale digital finance sustainably.



Panel Discussion 2: AI IGNITED: POWERING PAKISTAN'S FINTECH NEXT DECADE

This session features industry leaders discussing:

- **The challenges of digital payment adoption**
- **The impact of the new Finance Bill**
- **Data sharing practices and innovation**
- **Collaboration between banks, fintechs, and the government**

Mr. Aamir Aftab - Chief Product Officer, JazzCash

Mr. Faisal Aftab - Founder & CEO, Zayn VC

Muhammad Naveed Sharif - Director & CEO, Unikrew Solutions

Mr. Ahsan Hussain - Country Head Simpaisa

Mr. Raheel Iqbal – Managing Partner, Codebase Technology

Mr. Faisal Ejaz Khan - CIO, The Bank of Punjab

Mr. Aamir Aftab - The Role of AI in Revolutionizing Digital Payments and Micro-Lending for Financial Inclusion

Mr. Aamir Aftab shared how JazzCash leverages AI and ML to redesign products and manage credit risk. Using generative AI (including OpenAI), they segment users into “product personas” for better product fit. An insurance plan, once underperforming, was successfully relaunched after being repriced to suit customer budgets.

To prevent unethical upselling, JazzCash built an AI voicebot, trained on call center transcripts via DeepSeek LLM,that responds in a human-like tone.

In lending, JazzCash has offered ML-based digital credit for 4–5 years, using data like handset type, location, and behavior. Their supervised “maker-checker” model now predicts defaults with nearly 90% accuracy, improving recoveries and targeting.

Mr. Ahsan Hussain, Simpaisa - Leveraging AI for Personalization, Fraud Detection & Frictionless Transactions

Mr. Ahsan Hussain emphasized the value of forums like the Pakistan Fintech Forum for uniting banks and fintechs around financial inclusion. He then outlined SimPaisa's core AI applications, organized across four verticals:

- Fraud Detection: Using Count by Equifax, SimPaisa monitors transactions in real time, flagging anomalies like device or IP changes. AI-driven risk scoring filters out fraud within microseconds, minimizing losses and customer friction.
- Data Reconciliation & Disputes: AI and NLP bots extract and validate transaction data to accelerate dispute resolution, improving compliance and customer satisfaction.

- Smart Routing: AI selects the most cost-effective and reliable transaction paths with fallback options, boosting conversion rates and reducing drop-offs.
- Personalization: AI analyzes user data and behaviors to deliver tailored financial products and experiences.

Mr. Raheel Iqbal, CodeBase Technologies - Transformative AI Use Cases in Fintech - Security, Onboarding, and Infrastructure

Mr. Raheel Iqbal of Codebase Technologies highlighted two focus areas: creating regulatory-compliant AI environments and developing use-case-driven applications. He stressed the need for banks to host LLM models locally due to data privacy and regulatory requirements, describing their work as solving the "inference and security" challenge through a multi-model strategy.

He presented three use cases:

- AI-enabled onboarding, fraud detection and identity verification using facial recognition and behavioral analytics, including detecting repeated CNIC use and aging ID photos for recognition.
- Real-time fraud detection, instant monitoring of abnormal transaction patterns.
- AI DevOps, bots that identify infrastructure problems, open tickets, follow playbooks, and execute fixes.

Mr. Raheel Iqbal stated that Codebase Technologies takes an agnostic approach to AI, avoiding preference for any specific model or vendor. Their aim is to offer banks a flexible, integratable platform that works with various AI models like Meta or DeepSeek. This approach ensures scalability, interoperability, and adaptability as AI evolves.

Mr. Faisal Ejaz Khan, BOP - AI Adoption in Legacy Banks – Case of Bank of Punjab

Mr. Faisal Ejaz Khan, CIO of the Bank of Punjab (BOP), offered candid insights on adopting AI in a heavily regulated, government-owned bank. “We don’t want to be pioneers in AI,” he admitted, citing the heightened regulatory scrutiny BOP faces as a 67% state-owned institution. Yet, despite these constraints, the bank has made tangible progress.

BOP partnered with Techlogix 2.5 years ago to launch an AI-powered digital lending platform, initially for 14,000 employees and now scaled to 50,000+ users. It automates loan approvals based on salary and transaction data. “It’s live, it works, and we’ve passed audits,” Mr. Faisal said.

BOP also operates six fully online CM Punjab lending schemes via PITB, using AI for credit and biometric checks. “We now have the largest digital lending portfolio in the country,” he noted, covering credit cards, auto, and agriculture.

To improve fraud controls, BOP is building an AI-powered FRMS with Karachi’s Cyphernoics, combining rules-based engines and open-source LLMs. By March 2026, the bank plans to run containerized models on in-house GPUs. “We’re developing an on-prem AI factory,” he added.

The bank is also piloting AI stacks with EdoAI (Singapore) and Mercurial Minds (Dubai), selecting the best fit by year-end. Learning from global leaders, Mr. Faisal highlighted lessons from his recent meeting with V-Bank China’s CTO.

Capacity-building remains core. BOP has hosted five AI workshops and trained teams via LUMS, IBM, Huawei, and more. “We’re not just consumers, we aim to contribute,” he emphasized.

In closing, Mr. Faisal reinforced BOP’s cautious but committed approach: “We’re taking a multi-pronged path, so we don’t get left behind.”

Mr. Muhammad Naveed Sharif – Scaling Digital Finance Through Customer-Centric Innovation

Muhammad Naveed Sharif emphasized that Pakistan’s youthful, connected population presents a unique opportunity to expand digital financial services, yet a majority remain unbanked or underserved. Drawing on Unikrew Solutions’ experience in 16 countries, he outlined three key pillars for scaling adoption: customer centricity, platform partnerships, and agility. He argued that banks and fintechs must design products based on actual customer needs rather than traditional banking assumptions, even if this means launching

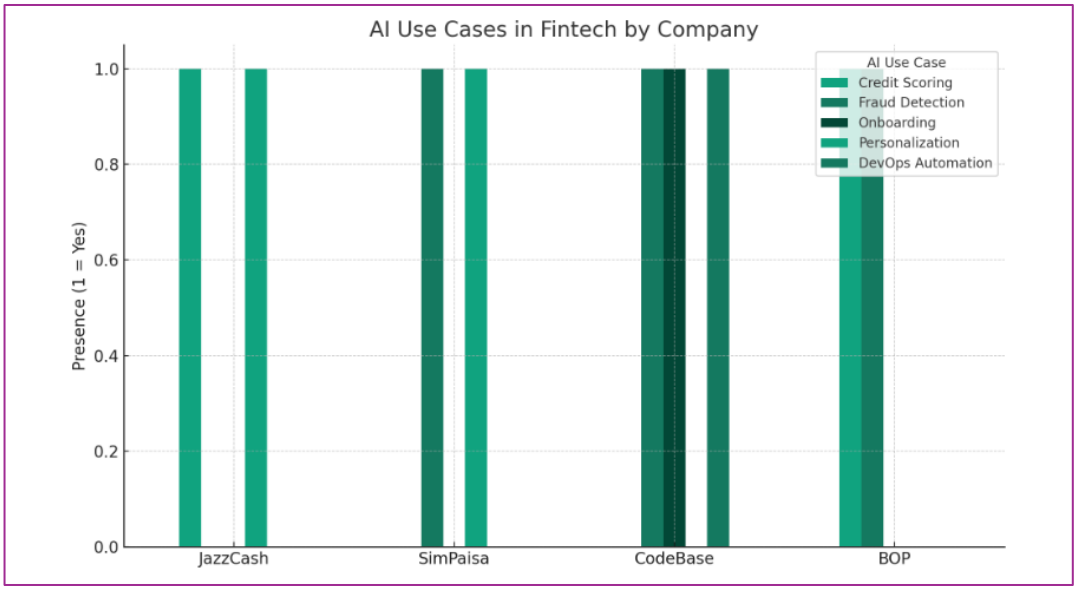
with a small, perfected set of services. Partnerships with third-party platforms can rapidly expand customer reach without high acquisition costs, while agility, through modular, API-first systems, ensures products can be quickly launched, tested, and refined.

Sharif illustrated these principles with global and local examples, including Unikrew's role in building nine digital banks and over 45 fintech propositions worldwide. In Pakistan, he spotlighted the development of **Raqmi Islamic Digital Bank**, which Unikrew supported from concept to pilot, embedding lifestyle features, third-party integrations, and intuitive UI/UX beyond basic banking functions. He stressed that digital banks should differentiate themselves by offering value-driven experiences tailored to customer lifestyles, rather than simply replicating services available at traditional banks. For Sharif, Pakistan's path to financial transformation lies in scalable, user-focused, and partnership-driven solutions that merge technology with trust and relevance.

Summary

This panel explored how AI is reshaping Pakistan's fintech sector, focusing on payments, lending, fraud prevention, onboarding, and infrastructure automation. Speakers highlighted AI's role in personalization, efficiency, and risk management while stressing the importance of regulatory compliance and customer trust. Jazz Cash's Aamir Aftab discussed AI-driven product redesign, customer segmentation, and digital credit scoring, achieving high default prediction accuracy. SimPaisa's Ahsan Hussain presented real-time fraud detection, dispute resolution automation, smart payment routing, and tailored user experiences. Raheel Iqbal of Codebase Technologies emphasized secure, locally hosted AI environments and use-case-driven solutions for fraud detection, onboarding verification, and AI-powered DevOps, maintaining a flexible, model-agnostic approach to ensure scalability and interoperability.

From the legacy banking perspective, Faisal Ejaz Khan of the Bank of Punjab detailed a measured but multi-pronged AI adoption strategy within a state-owned, regulated environment. BOP has deployed AI for automated lending, fraud management, biometric verification, and large-scale credit schemes, while building in-house AI infrastructure and partnering with local and international tech firms. Capacity building through workshops and training remains central to their approach. Across the discussion, panelists agreed that AI's transformative potential in fintech will only be realized if solutions are secure, scalable, and aligned with regulatory frameworks, with collaboration between banks, fintechs, and government essential for long-term adoption.



PANEL DISCUSSION 3: THE YOUTH DIVIDEND: HARNESSING PAKISTAN'S GEN Z FOR FINTECH DISRUPTION

Mr. Abdul Basit - Regional Business Owner - Europe and CISMEA - Digital Payments, Thales

Mr. Kashif Gaya - CEO, Euronet Pakistan

Mr. Somair Rizvi - Co Founder, Myco

Mr. Adnan Aslam - Founder & CEO, DigiKhata

Sheikh Omer Nasim - CEO, Finleap Financials

Mr. Shoukat Bizinjo - Senior Fintech Expert

Mr. Abdul Basit, Mr. Kasif Gaya -Understanding and Engaging GenZ: Financial Inclusion, Digital Behavior, and Fintech Role

Mr. Basit opened the session by outlining three pillars: understanding Gen Z, identifying fintech opportunities, and addressing key challenges. He described Gen Z as hyper-connected and mobile-first, with expectations shaped by platforms like TikTok and YouTube:

"This is a generation that was born with a smartphone in their hand. They live on platforms like TikTok and YouTube, and they can earn from those platforms too. Their financial expectations are defined by the technology they use every day."

He compared their behavior to Gen X, who relied on cheques and physical branches. Despite 80+ million smartphone users in Pakistan, more than UAE, Qatar, and Bahrain combined, Gen Z lacks financial literacy:

"They have digital access, but not necessarily financial knowledge. They might know how to open a wallet or a bank account, but do they know how to save? To invest? That's where the challenge lies."

He stressed that legacy systems like ISO 8583 can't serve Gen Zs fast paced speed.

"We're still using a 50-year-old protocol to serve a generation that swipes up in milliseconds. That gap is where we either evolve or lose relevance."

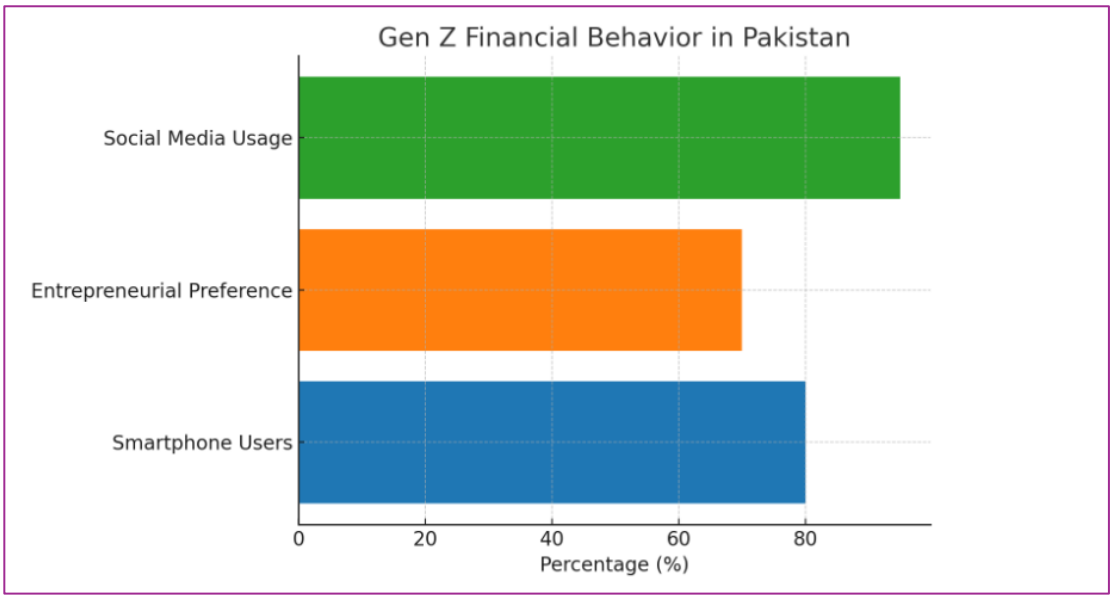
He concluded by urging both banks and fintech startups to focus on data-driven solutions, suggesting that access to finance must evolve beyond static account numbers to more dynamic, identity-based or credential-based access models that Gen Z is more likely to adopt.

Building on Mr. Basit's remarks, Mr. Kashif praised fintechs for widening access:

"We have to give credit to the fintechs, never before has opening an account or receiving payments been this easy. It's a major step forward." However, Mr. Kashif offered a critical distinction between access and empowerment. He argued that while Gen Z has convenient access to financial tools, they do not yet possess true financial independence.

"There's a difference between being able to pay and being financially independent. Real empowerment comes from knowing how to manage your income, save, and build long-term security." He emphasized that digital convenience should be the first step, not the final goal. There is a need for embedded financial education, especially targeted toward youth, to build resilience and independence in the financial lives of Gen Z.

"Right now, convenience exists. What's missing is the layer of education and guidance. Without it, we're building a generation that's digitally active but financially fragile." He called on banks, startups, regulators, and educational institutions to create interactive financial tools and gamified learning platforms to help Gen Z learn about saving, investing, budgeting, and responsible borrowing.



Mr.

Sheikh Omer Nasim, Mr. Abdul Basit - Financial Inclusion and GenZ: Expanding Digital Financial Services to the Underserved and Rural Pakistan

Mr. Sheikh Omer Nasim began by highlighting the massive potential of targeting Gen Z in Pakistan through Finleap's platform, Dyra. "More than 50% of the people coming onto our platform are Gen Zs," he noted, emphasizing their tech-savviness and comfort with mobile financial services.

However, he pointed out the challenges of rural inclusion due to poor internet access and low financial awareness. "There is a challenge for companies like us to acquire customers from rural areas," he admitted, stressing it's not just a tech issue but a lack of education and outreach.

He called for a joint effort by fintechs and regulators like SECP to spread awareness: "It's the combined effort... to reach rural areas as well." Dyra, he explained, was designed with minimal documentation, fast disbursement, and in-app education to make it accessible, even on basic phones. On credit risk, he said traditional scoring doesn't work in underserved areas. Instead, Finleap uses behavioral data like mobile usage and geo-patterns to assess creditworthiness: "We create a soft proxy for credit scoring where no formal history exists."

Mr. Abdul Basit, representing Thales, offered a global and generational lens on fintech. He highlighted Gen Z's entrepreneurial mindset: "More than 70% of Gen Z prefer to be

entrepreneurs... They don't want to do 9 to 5. They want the freedom to work their own way." This shift demands fintech products that offer speed, customization, and smartphone-based control.

He explained how Gen Z is reshaping payment norms: "For them, the phone is everything." While previous generations used multiple physical cards, Gen Z prefers virtual credentials. "Ask a Gen Z, they will say one card is enough. Preferably a virtual one." Mr. Basit stressed UI/UX as a tool for financial literacy, especially in low-literacy markets like Pakistan. "Red means repay; green means receive", even non-English users can understand this. This shows how inclusive design can broaden access.

He also emphasized the role of platforms like TikTok and YouTube in financial education: "A teenager in Sialkot might know about stock investing... from a 30-second Urdu explainer on TikTok." Fintechs, he urged, should partner with content creators to foster trust and community.

Closing his remarks, he stated: "Fintechs should not just provide services, they should build identity-led communities." Today's users seek ecosystems that reflect their values and aspirations, not just financial tools.

Mr. Kashif Gaya, Mr. Somair Rizvi - Designing for Inclusion: Researching and Retaining GenZ in Fintech through Localized, Relevant, and Rewarding Experiences

In this insightful session moderated by Mr. Syed Suleman Hasan, Mr. Kashif Gaya highlighted a critical issue: fintech products in Pakistan are not designed with real users in mind. "I think the biggest challenge that I see is that a lot of people say reach is a problem. I feel that's not the problem. The actual problem is mindset."

He stressed that most products are built by urban developers in English for tech-savvy users. "The way products are designed, they are designed by people sitting in cities... not built for the guy in rural Pakistan."

Mr. Gaya then drew attention to three key areas where this disconnect is most pronounced:

Language and Usability: Fintech platforms often fail to use local languages or simplified interfaces. As he put it: "The first problem is that the language and the interface is just not built for people who are going to use it."

Distribution and Trust Channels: The second challenge is how services are distributed and how trust is built. "The guy who sells biscuits in a remote village is the one who people trust.

He should be your distribution channel." Rather than trying to force adoption through apps or new channels, fintech providers should embed themselves in existing community infrastructure. He further emphasized, "Don't try to change user behavior. That is a very tough thing to do."

Product Relevance: The third and perhaps most overlooked issue is that products aren't built for how rural or low-income people earn and save money. Mr. Gaya explained, "You must create products that are meant for them. They are not salaried people. Their income is not monthly. Their income is seasonal. Their income is based on communities. Their income is informal."

He concluded, **"This idea of inclusion has to start from the drawing board."** Real financial inclusion requires designing for the social and economic context of the user.

Adding to Mr. Gaya's insights, Mr. Somair Rizvi offered a fresh perspective focused on Gen Z, a digitally native generation with a transactional relationship with digital platforms.

Mr. Rizvi emphasized how platforms like TikTok, YouTube, and Web3 have shaped Gen Z's expectations: "We've seen Web3 products like 'watch to earn' and 'play to earn' blow up because the user is getting something in return. It's about value."

He stressed that Gen Z aren't passive users, they're creators and value-seekers: "They want something in return for the time they spend on your product. So, the first thing is value. If you're not giving them value, they'll bounce."

Fintech, he said, must adapt by integrating gamified incentives, real-time rewards, and purpose-driven experiences: "If you're giving cashbacks, show the cashbacks. If you're giving a reward, show the reward. Show the community. Show them what you're building for them."

Mr. Rizvi debunked assumptions about rural digital inactivity: "We've seen people from rural areas become the biggest TikTokers. They have millions of followers. They can do that because they get value back from the platform." He connected this to fintech: strong incentives can drive adoption even in underdeveloped areas.

A key insight was the emotional connection formed when users are treated as stakeholders: "I can tell you, if we miss a payout, they will call us, message us. They won't just behave like customers; they behave like a community that is emotionally attached."

He concluded that fintech's future lies not in more features, but in community trust, emotional bonds, and behavioral alignment. The goal is to create experiences, not just transactions.

Together, Mr. Gaya and Mr. Rizvi urged a complete rethink of fintech to build platforms that are culturally embedded, emotionally resonant, and behaviorally rewarding.

The session's key takeaway: Inclusive finance starts by understanding people, not just their bank accounts, but their habits, values, and environments.

Mr. Adnan Aslam, CEO DigiKhata - Bridging the Fintech Gap for GenZ: Opportunities, Regulatory Support and Entrepreneurial Empowerment

Mr. Adnan Aslam opened with a key challenge: how fintechs can serve Gen Z in a tightly regulated environment. He acknowledged fintechs face barriers in reaching certain segments**. "There are multiple factors that may limit a fintech to reach the segment of population that we are concerned about in this panel,"** he noted, referring to Gen Z's digital habits and compliance sensitivity. He emphasized the importance of balancing expectations with regulatory realities. "We need to understand the regulator needs to do a regulator job... it's not like they're going to open up everything," he said, citing Pakistan's FATF commitments. "There is an international eye on the regulator, so they have to be cautious."

Despite limitations, he commended SBP and other institutions for their evolving stance. "The regulator is pushing commercial banks to integrate with us... they're realizing fintechs are doing the job quicker, simpler, better." He cited RAAST, shared KYC, and open banking as signs of meaningful progress. **"More falls onto us than the regulator now... The basic infrastructure is there for us to utilize."**

Speaking about Digikhata's journey, he stressed the need for deeper engagement with Gen Z. "We believe transparency, simplicity, and empathy are what Gen Z wants from fintechs." He shared how products like [Possible misattribution: verify actual product name before use] offer fast onboarding, transparent terms, and even a 24-hour cooling-off period. "They want transparency when it comes to their finances. They want to be treated like a person, not a user ID."

He also highlighted the emotional and financial pressures Gen Z faces, noting a lack of products that genuinely support their needs. "There's a huge market that remains unserved because traditional products simply don't speak the language of the next generation."

Fintechs, he said, should feel more like "a friend helping you out" than a bureaucratic process. On Gen Z's entrepreneurial goals, Mr. Adnan recognized their potential and called for active support. "Opportunities for the youth are very important... As a fintech or business community, it's our role to enable this change. He spotlighted the freelance economy and digital entrepreneurship but cautioned that lacking integration tools holds them back. "There needs to be rapid development... but how do we open the Pakistani youth to the global audience? That's key."

In closing, he expressed strong belief in the country's youth. Fintechs, he said, can empower them not only through services but also through education, mentorship, and platforms for innovation. **"Pakistanis have super talent... they are already servicing the world. It's about time they get the right support and platforms to fly."**

Summary

This panel underscored Gen Z's transformative potential in Pakistan's fintech future, describing them as hyper-connected, mobile-first, and entrepreneurial, yet often financially underprepared. Speakers stressed that while access to digital accounts and payments has never been easier, true empowerment requires financial literacy, localized design, and trust-driven distribution channels. Basit Aijaz and Kashif Gaya called for solutions tailored to Gen Z's cultural and behavioral context, shifting from static account models to identity-based access, embedding education into financial products, and leveraging familiar platforms like TikTok and YouTube for outreach. Sheikh Omer Nasim and Abdul Basit highlighted rural inclusion challenges and proposed simplified onboarding, behavioral data-driven credit scoring, inclusive UI/UX, and partnerships with content creators to build identity-led communities.

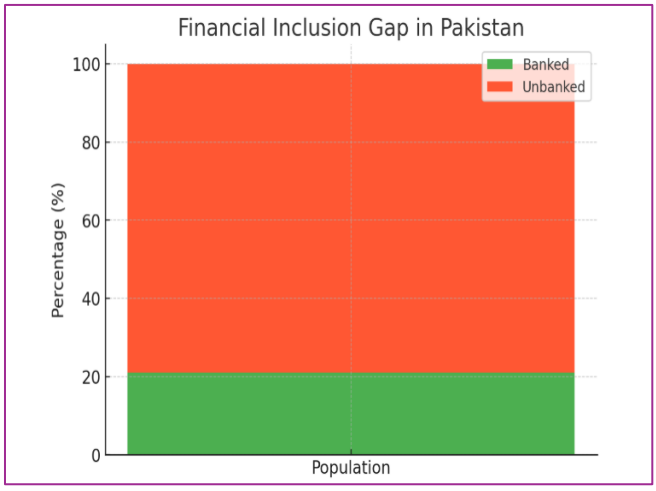
Kashif Gaya and Somair Rizvi emphasized that real inclusion must begin at the product design stage, addressing language barriers, seasonal income patterns, and trusted local distribution. They advocated for fintechs to deliver tangible value through gamification, real-time rewards, and community-building, creating emotional bonds that drive adoption. Adnan Aslam added a regulatory perspective, noting that while compliance limits exist, frameworks like RAAST, shared KYC, and open banking provide the infrastructure for innovation. He urged fintechs to act as supportive partners to Gen Z, fostering entrepreneurship, freelancing, and global integration. Across the discussion, the consensus was clear: Gen Z engagement demands culturally embedded, behaviorally

relevant, and educationally empowering fintech experiences that go beyond transactions to build long-term trust and inclusion.

Ms. Khalida Habib, Executive Director SECP - SPEECH on From Regulation to Facilitation: SECP's Fintech Evolution

Ms. Khalida Habib, Executive Director of SECP, opened her address at Pakistan Fintech Forum III by welcoming participants and emphasizing SECP's continued engagement over the past three years. She called fintech a "powerful enabler to democratize credit access and mobilize savings", especially for Pakistan's underserved communities.

She pointed out that over 100 million adults remain unbanked, and MSMEs face a credit gap of over Rs. 1 trillion. "Financial inclusion is not just a developmental challenge, it's a constraint to our national potential," she said, highlighting barriers like lack of collateral and limited physical access to banks.



Positioning fintech as a solution, Ms. Habib stressed the importance of alternative credit scoring using mobile data, bills, and transaction history. **"These data points help evaluate creditworthiness where traditional banks fail."**

She noted SECP's role in launching digital lending platforms, which now include over 40 licensed digital lenders, providing microcredit across Pakistan. Acknowledging past privacy concerns, she assured that regulations had undergone a **"complete revamp."**

On savings, she highlighted Pakistan's low formal savings rate **(10–12%)** and informal practices like saving in gold or livestock. Fintech, she argued, can shift behavior through tools like Assan Connect and Central Gateway Portal, which enable cross-sector KYC

sharing. “These digitally mobilized savings... deepen Pakistan’s capital base and reduce reliance on foreign financing,” she said.

Ms. Habib also mentioned SECP’s fintech-friendly reforms, such as lowering capital requirements and licensing entities like Imla Financial and Mahana. Digital-only insurers and brokers are making microinsurance and real-time trading more accessible.

She emphasized that “our oversight ensures that these platforms remain secure and transparent,” creating trust for new investors. Future include collaboration on an open API and digital ID framework using NADRA’s biometric systems to lower onboarding costs and fraud risk.

SECP is investing in financial literacy, especially for women and youth, and supporting startups through innovation challenges and targeted funding. Ms. Habib stressed that “our cybersecurity framework must evolve alongside innovation to ensure that trust is not compromised.”

She closed with a vision of inclusive finance: “We can envision people in far-flung areas accessing all financial services from their phones.” Fintech, she concluded, “can be our bridge between economic growth and social equity. Let’s cross it with vision, responsibility, and shared promise.”

Finally, she noted the recent SECP Fintech Summit in Karachi and an upcoming public report on challenges and recommendations from the startup ecosystem.

Mr. Raheel Iqbal, CodeBase Technologies - PRESENTATION on Leading the Leap: Unlocking Pakistan’s Future Growth

Opening Thoughts: Pakistan at a Digital Crossroads

Mr. Raheel Iqbal began with a strong call to action for Pakistan’s fintech and banking sectors. **“Today we will be exploring the incredible opportunity which lies in front of us in the digital banking and financial sector**

space," he said, citing Pakistan's 240 million population, with over 23% under 30, as a huge untapped market. But outdated banking practices fail to serve this digital-native generation. **"We can't rely on the same old practices or legacy practices on how the financial sector used to engage these kinds of customers."** With only 21% of adults banked, he sees a clear opportunity for digital disruption.

The Role of Regulators and Enabling Infrastructure

Mr. Raheel praised regulatory strides, including Raast, NADRA's digital KYC, and RTGS upgrades. **"The regulator has done a fantastic job,"** he noted, highlighting seamless onboarding via biometrics. However, the focus must shift from progress to scale.

"We are not talking about incremental progress anymore," he stressed. "We are talking about scaling. Without scale, none of our investments would see the right return."

Three pillars to scale digital finance:

1. He stressed designing around user needs. "We keep forcing customers to use what we want to sell, not what they need." He cited Monzo, Revolut, and a Jordanian bank that launched with just one credit product, gaining traction by solving real pain points. "They launched with just one credit product… no fancy features… yet it worked."

2. Traditional banks must shed their in-house mindset. "Banks still want to build everything themselves. That mindset needs to change." He advocated leveraging platforms with built-in user bases. "One of our partners has a user base of 2.5 million customers. The question is, how do we enable them quickly?" He shared how strategic partnerships helped grow a digital bank from 10,000 to 300,000 users in 6 months.

3. Agility isn't about constant change but rapid MVP deployment. "Agility is not daily change requests, it's about launching, testing, learning, and pivoting quickly." He warned against over engineering. "If you're spending more time on compliance documentation than product testing, you're already behind."

Modern Architecture: API-First, Modular, Cloud-Native

He urged a shift to modular, cloud-native systems using open APIs. "The regulator has allowed cloud use, but we aren't leveraging it enough." Batch processing, he said, slows innovation. "Modular platforms and open APIs are no longer optional, they're a necessity."

Case Study: Raqmi – Pakistan's First Islamic Digital Bank

Highlighting Codebase's work on Raqmi, Mr. Raheel shared: "We were there from day one, from licensing to design to the pilot." Raqmi complements existing accounts by offering value-added services. "We are not asking to be your first account, we are providing services you can't get from your first account." He emphasized intuitive design. "Netflix and Spotify

don't need FAQs, why should banking apps?" Codebase created a UX/UI studio to develop walkthrough-free digital products.

Call to Action: Lead the Leap Now

Mr. Raheel closed with a clear message: act now or miss the moment. "Customers are ready. Technology is here. The regulators are supportive. But unless we act now, we will lose the momentum." He urged collective action. "We're proud to be part of enabling Pakistan's digital banking future. The change is here. Now it's our job to lead it."

Mr. Najeeb Agrawalla, CEO, 1LINK - PRESENTATION on 1LINK Driving National Interoperability

Introduction & Setting the Context

Mr. Najeeb Agrawalla opened by thanking the organizers and emphasized 1LINK's critical role in Pakistan's financial ecosystem. **"1LINK today is processing over 5 billion transactions a year. The transaction value has crossed 70 trillion rupees, that's 35% of GDP,"** he stated, highlighting the scale of digital transformation. Despite challenges, he noted, **"Pakistan's financial system has made remarkable progress... We are no longer lagging, we are catching up."**

Interoperability as the Cornerstone of Progress

Agrawalla stressed that **interoperability is essential, not optional**, especially in a market with over 40 banks and a growing fintech sector. **"Without it, we can't scale fintech. Without it, we can't scale trust."** He clarified 1LINK and RAAST are **not competitors**: **"There is no 1LINK versus RAAST... This ecosystem is large enough for multiple players."** Cooperation, he emphasized, should drive the industry forward.

Growth Metrics and Behavioral Trends

He shared that **42% of ATM transactions are off-us**, showing customer trust in interoperability. People withdraw smaller amounts at other banks' ATMs, **"It's psychological, but they still rely on the network.** Interbank Funds Transfer (IBFT) saw **52% growth in volume, 53% in value**, proving digital payment adoption is rising rapidly.

Digital Government Collections and Bill Payments

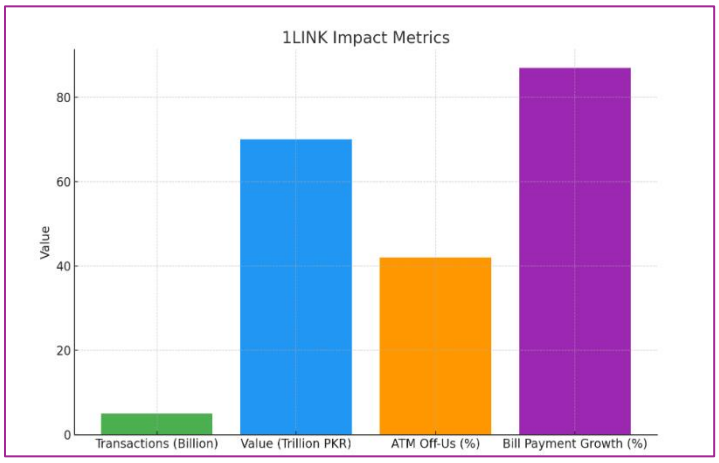
Over **600 government entities** now collect payments digitally via 1LINK, including taxes and utilities. He credited agencies like **FBR, PRA, and NADRA** for enabling this shift. Bill payments also rose **87% year-on-year**, driven by integrations with mobile and bank apps. **"It's about experience, reach, and speed, not just banking."**

PayPak: A Silent Revolution

One of the most impactful segments of his presentation was about PayPak, Pakistan's domestic card scheme. Mr. Agrawalla stated, "Today, one out of every four debit cards in Pakistan is a PayPak card. That's huge. We've achieved this with almost no advertising, just pure functionality and reliability. "

He went on to unveil a new initiative called "PayPak Pink", a female-focused financial product aimed at reducing the gender gap in financial access. "We want women to feel empowered. PayPak Pink is not just a product, it's a signal that women belong in the financial ecosystem as equals," he stated passionately. He also shared that the card would come with special features, rewards, and tools designed for financial independence and budgeting.

Fraud Risk Mitigation – Security at the Core 36 of 48 banks now use 1LINK's Fraud Risk Management system. **"We're not just sharing transaction data, we're sharing intelligence,"** he said, with tools like device fingerprinting and real-time alerts. **"Interoperability without security is chaos... with shared risk frameworks, it becomes our strength."** he explained.



He added, "Interoperability without security is chaos. But if we do it right, with shared risk frameworks and trust protocols, it becomes our greatest strength. He emphasized that

security frameworks should evolve along with interoperability infrastructure to ensure long-term resilience.

Innovation & Looking Ahead: APIs, OneGo, and POS

He unveiled OneGo**, a P2M solution for small merchants and freelancers:** "A one-touch solution… no complex setup needed." **On POS, he highlighted upcoming** RAAST-1LINK collaboration **for faster merchant settlements. APIs were another focus:** "We've processed 135 million API calls this year. Banks are slow, fintechs must lead. APIs are the oxygen of innovation."

Conclusion: Building the Rails for the Future

Agrawalla concluded with a call for unity: "This is a silent revolution… These rails are for you, banks, fintechs, telcos, governments." **He positioned 1LINK as** "not just a switch, it's a national asset," **urging all players to treat digital infrastructure as public infrastructure.**

He ended by inviting Mr. Shoaib to share more on PayPak Pink**, stating:** "This is not the end, it's the beginning. Let's build, let's share, and let's include everyone."

Mr. Sohail Javaad Syed, Mr. Sardar Abubakar - Fireside Chat

In a fireside chat at Pakistan Fintech Forum III, Mr. Sohail Javaad Syed (Executive Director, SBP) and Mr. Sardar Abubakr (VP, Jazz) explored how fintech is transforming Pakistan's digital economy. The session addressed regulation, inclusion, innovation, and trust in financial systems.

Mr. Syed emphasized that SBP is evolving from regulator to facilitator: "We are no longer just regulators, we're enablers of innovation," focusing on agile, safe regulation for underserved segments. He highlighted RAAST as public infrastructure enabling real-time, low-cost transactions, with upcoming merchant modules and seamless fintech-bank integration.

Mr. Abubakr said JazzCash, with 42M+ wallet users, is expanding access for daily wage earners and women entrepreneurs. "Fintech is now horizontal," he stated, stressing AI-

driven personalization and financial literacy nudges. “You can’t expect a first-time user to be digitally fluent overnight; we must build handholding into the experience.”

Both stressed digital trust and inclusion. Mr. Syed warned, “Access without understanding is dangerous,” and pointed to SBP’s work on cybersecurity, privacy, and a national digital literacy push. Mr. Abubakr advocated cross-sector collaboration, especially in co-lending where banks bring compliance and fintechs offer agility.

Mr. Syed reiterated SBP’s shift toward Open Banking, KYC-as-a-Service, and digital ID frameworks, calling fintech a “socio-economic equalizer.” Mr. Abubakr closed by affirming, “The future isn’t just about convenience, it’s about empowerment for all.”

Mr. Zeeshan Rehman Khattak, SECP - Speech on Building Trust in Digital Finance SECP’s Strategic Role

In his keynote at Pakistan Fintech Forum III, SECP Commissioner Zeeshan Rehman Khattak outlined the regulator’s evolving role in fostering innovation while maintaining public trust.

He praised PFN and Nadeem Hussain for uniting fintech stakeholders and emphasized that such forums help regulators understand gaps, successes, and areas needing intervention.

Acknowledging that **“regulators are always catching up,”** Mr. Khattak clarified SECP’s role is not to block innovation but to enable it safely. SECP is becoming more data-driven and collaborative, realizing enforcement alone cannot build lasting trust.

A major focus is the rollout of a unified eKYC system, aimed at making identity verification seamless across platforms, especially for the underbanked. He noted partnerships with NADRA and SBP to facilitate low-friction, interoperable access to fintech services.

He showcased the regulatory sandbox as a controlled space to test emerging solutions like tokenized assets and fractional real estate, stating, “We are learning alongside the industry.” On online lending, he struck a firm tone, warning that one bad actor can damage the entire ecosystem but reaffirmed support for responsible players, particularly those serving MSMEs.

Mr. Khattak invited open dialogue on crypto, stable coins, and AI, urging innovators to engage regulators early. “Our doors are always open,” he said. He closed with a call for trust-based systems: “Let’s build a financial ecosystem that is fair, inclusive, innovative, and trusted by the people.”