

Jameel Ahmad: Strengthening and modernising Pakistan's domestic payments ecosystem

Speech by Mr Jameel Ahmad, Governor of the State Bank of Pakistan, at the MasterCard and PayPak co-badged card ceremony, organised by Faysal Bank, Karachi, 2 December 2025.

* * *

Mr. Yousaf Husain, President & CEO. Faysal Bank Limited,
1Link and Master Card management,
SBP, FBL, PayPak and Master Card Teams,
Distinguished guests,
Ladies and Gentlemen,

Assalam-o-Alaikum and a very good morning;

It is a pleasure to be here today at the card co-badging ceremony of Faysal Bank, MasterCard, and our national payment scheme, PayPak. This event marks another important step in our collective journey towards strengthening and modernizing our domestic payments ecosystem. At the same time, it represents another tangible step that we have taken as part of one of our Strategic Goals to implement a secure, efficient, and self-reliant payments landscape in our country. I would like to congratulate Faysal Bank, Master Card, 1 Link and our PayPak team on the achievement of this important milestone.

The co-badging product is a reflection of a financial product that is a win-win for all stakeholders. It will allow Pakistani customers to make international as well as e-commerce payments, while ensuring local settlement of domestic transactions. It will also provide 1Link an important avenue to enrich the profile of our domestic payment scheme, besides offering Master Card an opportunity to expand its footprint in Pakistan's rapidly growing domestic electronic payments market.

I am also delighted to note that this trend of co-badging is picking up momentum, where our domestic payment scheme, instead of operating in isolation, is partnering with global giants to offer a truly innovative payment avenue to our consumers. Today's launch is the 2nd major co-badged card within a month, after the issuance of a PayPak and Union Pay co-badged card last month. Given the strong value proposition of co-badging for all the stakeholders, I am sure that more banks will opt for it.

Ladies and gentlemen!

Let me briefly recall the history of PayPak, which was launched in 2016 with the objective of creating a cost-effective, secure, and attractive domestic payment scheme. The underlying idea was simple: Pakistan, as a growing digital economy, must develop a domestic alternative that would enhance financial inclusion, rationalize the cost of digital payments for merchants and consumers; and offer our consumers the opportunity to enjoy the cost and scale advantage of our domestic payment scheme.

While I am encouraged to note the expansion of PayPak in our domestic market, I would also like to say that this is just the beginning, in terms of the evolution of our domestic payment scheme. As you may know, PayPak currently accounts for more than 25% of the total 53 million debit cards in circulation in the country. However, its share in usage is only 6%. We are also aware of some of the inhibiting factors behind this suboptimal usage, especially the non-acceptance of PayPak on e-commerce and international platforms; and limited marketing campaigns and incentives for banks, merchants and cardholders. The branding of PayPak has also been as a low value budget card, which contributed in the low usage of PayPak.

Overcoming these bottlenecks is imperative for us to make our national payment scheme operate on a sustainable footing. The recent launch of marketing and advertisement campaign by 1Link, initiation of co-badging arrangements with international payment schemes, and integration with e-commerce gateways, are steps in the right direction. We are confident that these efforts are expected to significantly improve the value proposition of PayPak over time.

At the same time, I hope that 1Link will be able to develop a long-term strategy to promote PayPak as an attractive payment scheme, by providing cost effective value added services to its customers. The strategy should be backed up by the needed investments in improving the technological infrastructure, risk management, including fraud detection and cybersecurity, as well as in dispute resolution and merchant and consumer incentivization.

Ladies and Gentlemen!

Let me reiterate that development of a robust, reliable, secure, and cost effective digital payments ecosystem is a key strategic objective of the SBP. Ensuring a conducive and enabling regulatory environment that promotes investment in the digital payments infrastructure and consumer protection is an important component of our digital payments' strategy. The framework allows variety of institutions in the digital space – including commercial banks, Digital Banks, EMIs, PSO/PSPs, Fintechs, and national and international payment schemes – to serve the digital payments and financial services needs of the economy and our population.

Let me also emphasize here that the SBP would continue to ensure a level playing field for all the payment system players, including the international payment schemes. The future of our payments system lies in a strong, interoperable, secure and self-sustaining digital payments infrastructure that supports financial inclusion and facilitates sustainable and inclusive economic growth.

Today's co-badging initiative is a step forward towards developing mutually beneficial partnerships between international and domestic payments schemes that can create better value for all stakeholders. I once again congratulate Faysal Bank, Mastercard, and 1Link on taking this initiative. I also look forward to other banks and financial institutions developing similar partnerships, that support innovation, expand access, and accelerate the adoption of digital payments across Pakistan. Together, we can build a payments ecosystem that truly reflects the aspirations of a modern, dynamic, and digitally empowered nation.

I thank you all for your time.