



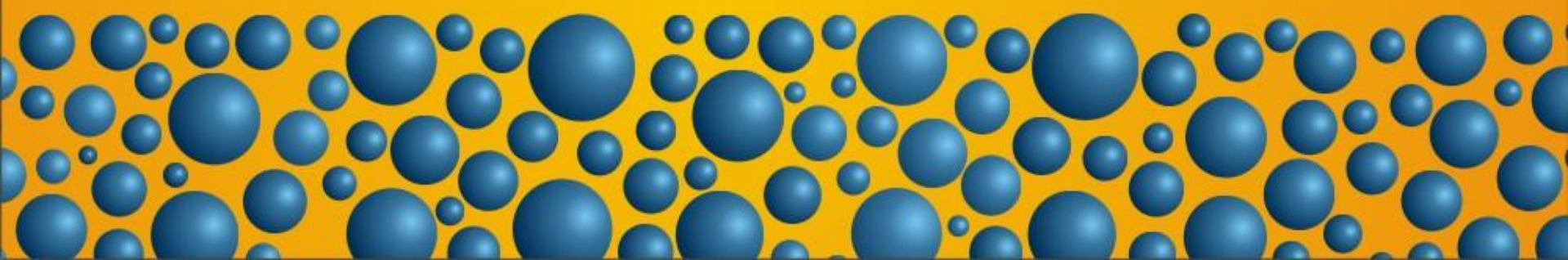
Beyond Branchless Banks with Mobile Wallet

Mayank Sharma

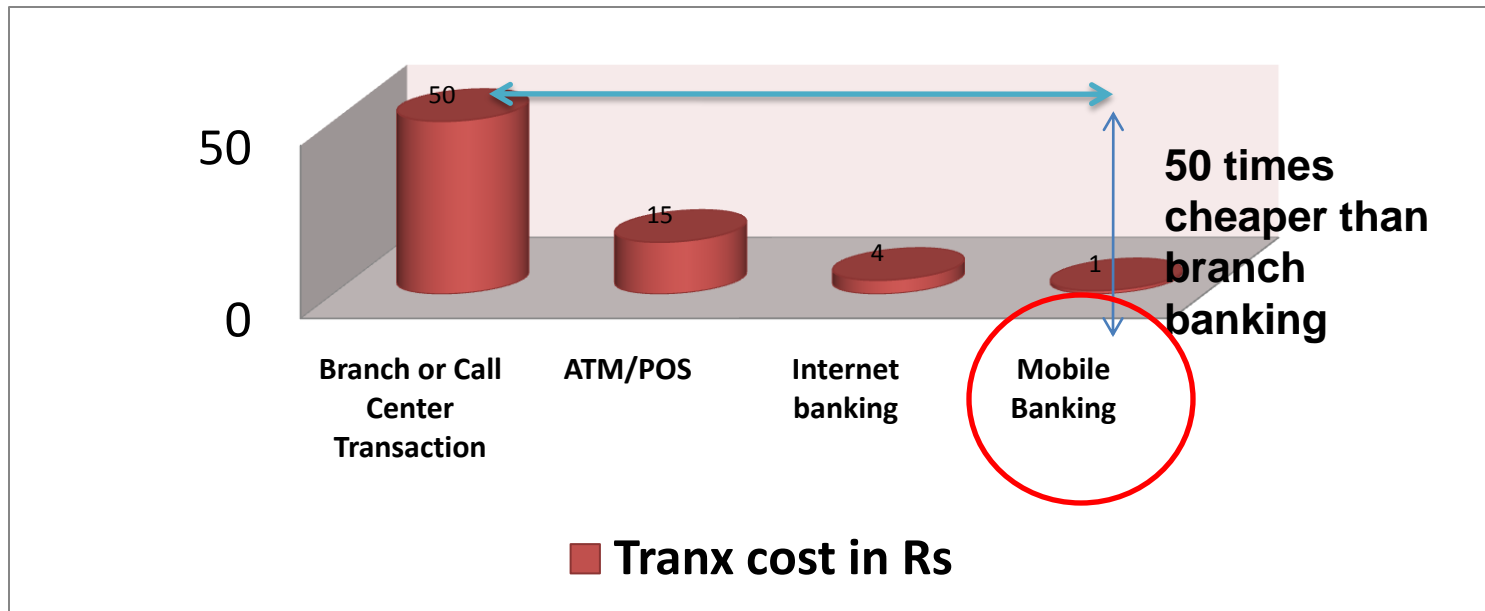
Vice President – Africa

2nd March 2011

AITEC Banking & Mobile Money COMESA



Traditional Banking methods have Limitations



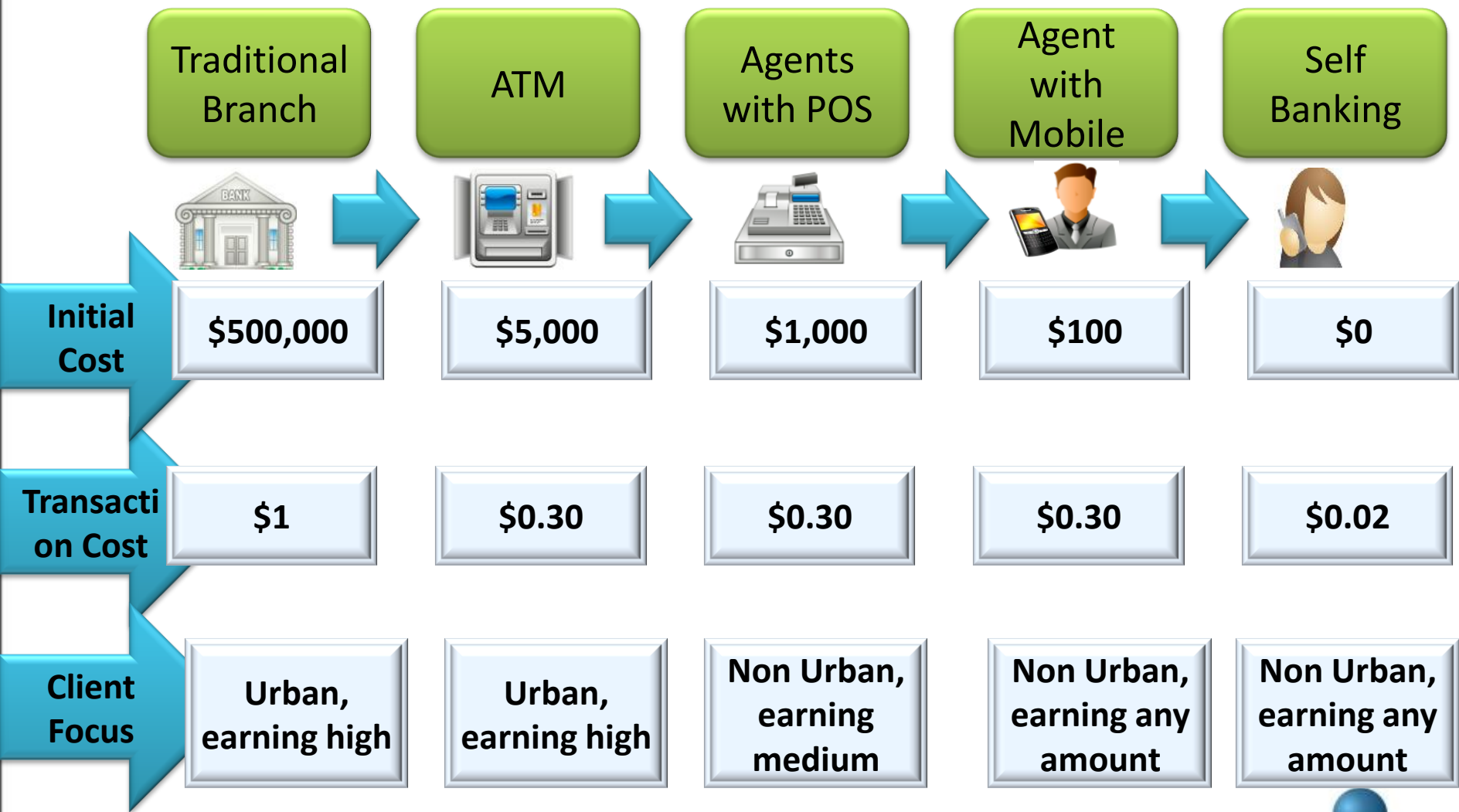
Of India's 593,615 villages, 83.3% have less than 2,000 inhabitants*

Source: TV Mohandas Pai in the Economic Times, SBI, Kotak Institutional Equities estimates

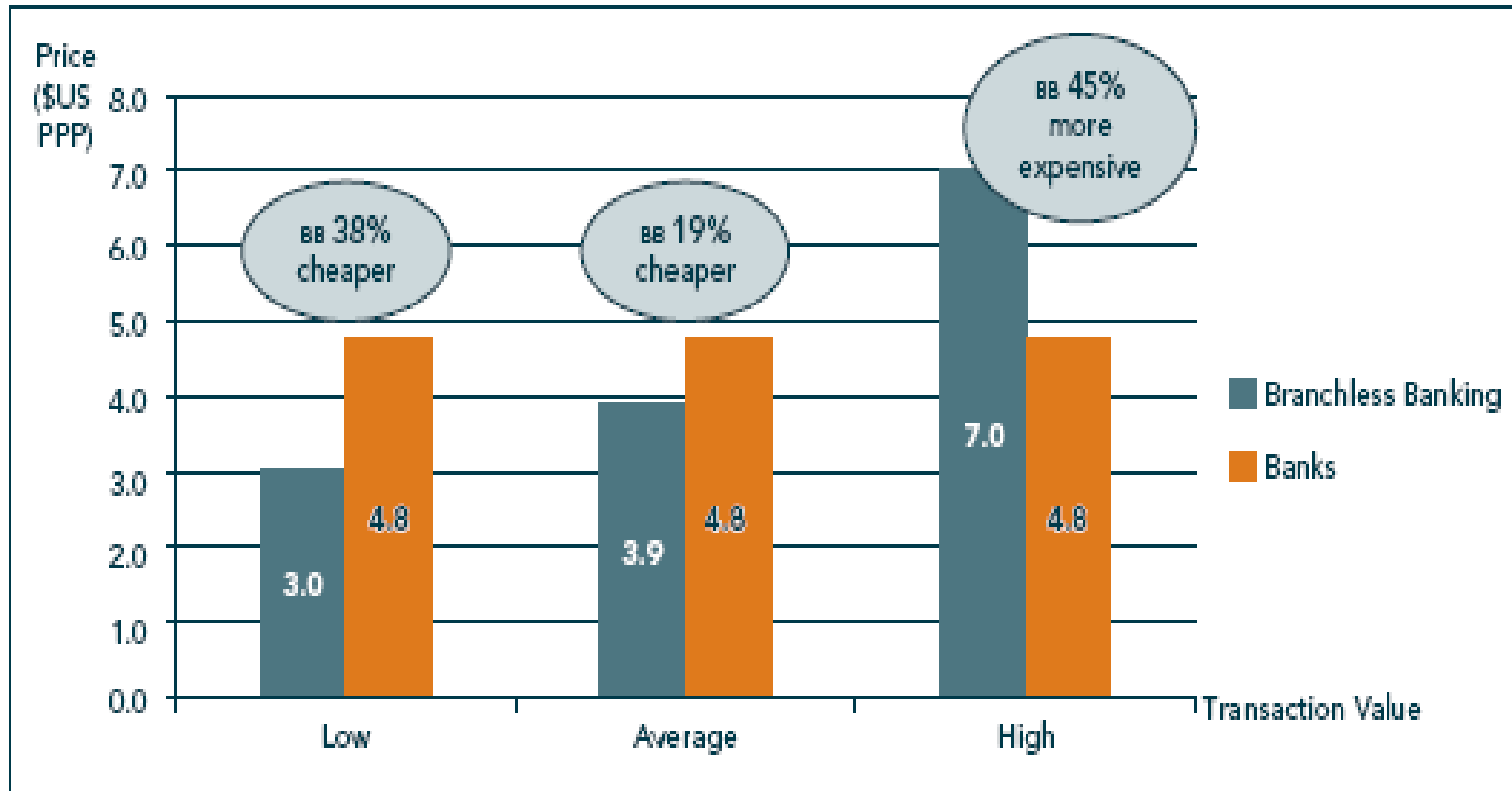
*Census of India, 2001



Retail Banking Evolution



Is Branchless Banking cheaper for all?



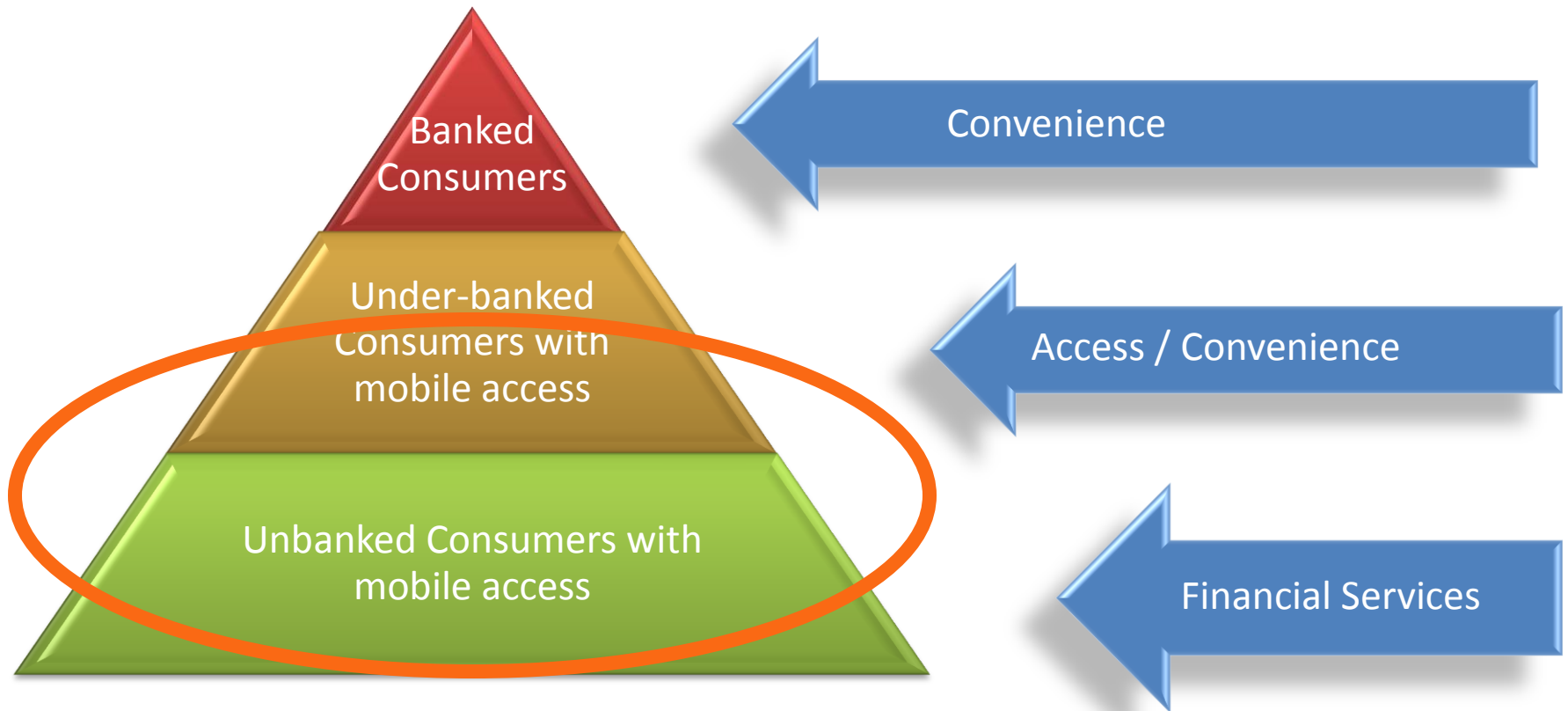
Not all Consumers can be targeted with branchless banking



Source:CGAP 2010 study



Where is the major impact?

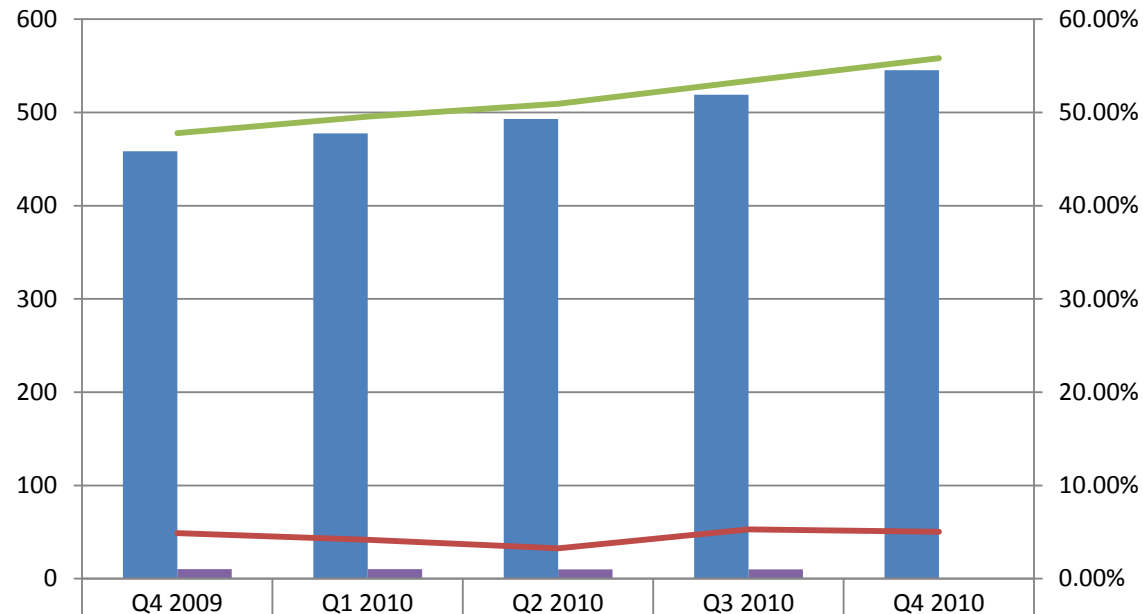


Most of these customers are Rural and/or SEC C/SEC D customers



African Mobile Market Penetration

African Mobile Market

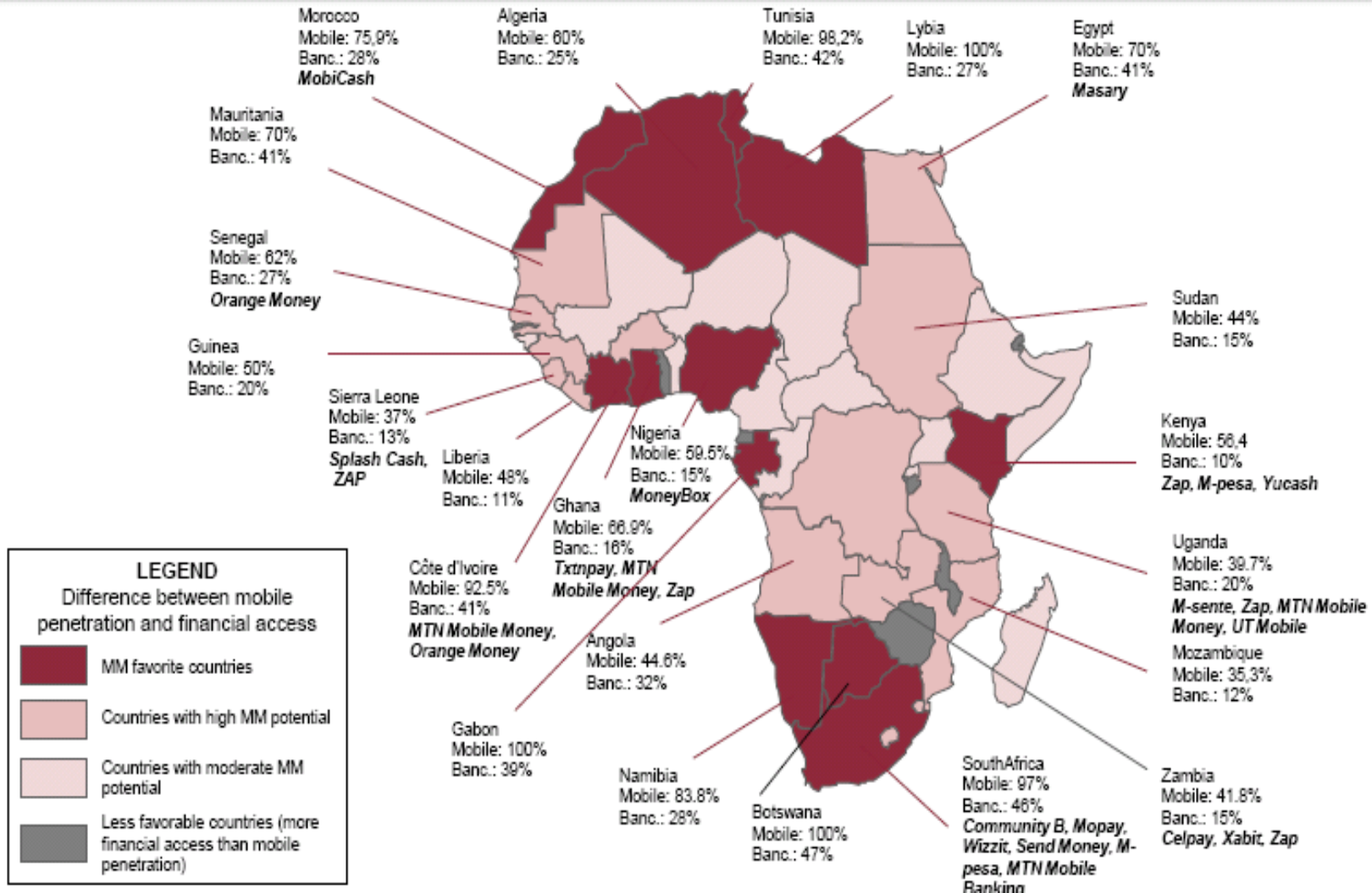


| | | | | | |
|----------------------------|--------|--------|--------|--------|--------|
| Number of Connections (Mn) | 458 | 477 | 493 | 519 | 545 |
| ARPU | 10.34 | 10.11 | 9.95 | 9.81 | |
| Growth Rate, Connections | 4.89% | 4.18% | 3.25% | 5.29% | 5.03% |
| Market Penetration | 47.78% | 49.55% | 50.93% | 53.39% | 55.82% |

Mobile Penetration is greater than 50%

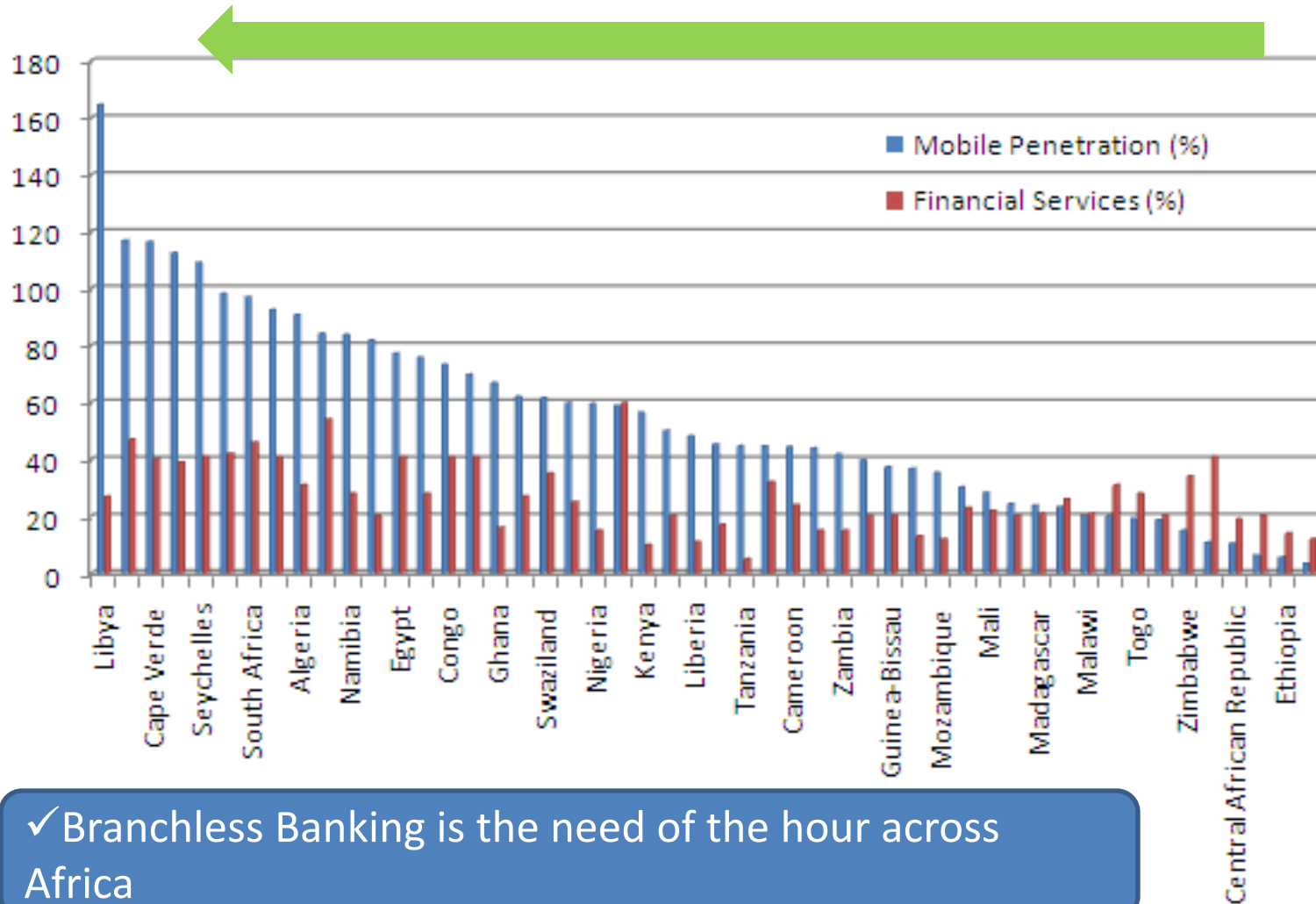


African Mobile and Banking Penetration



Source: Amarante Consulting

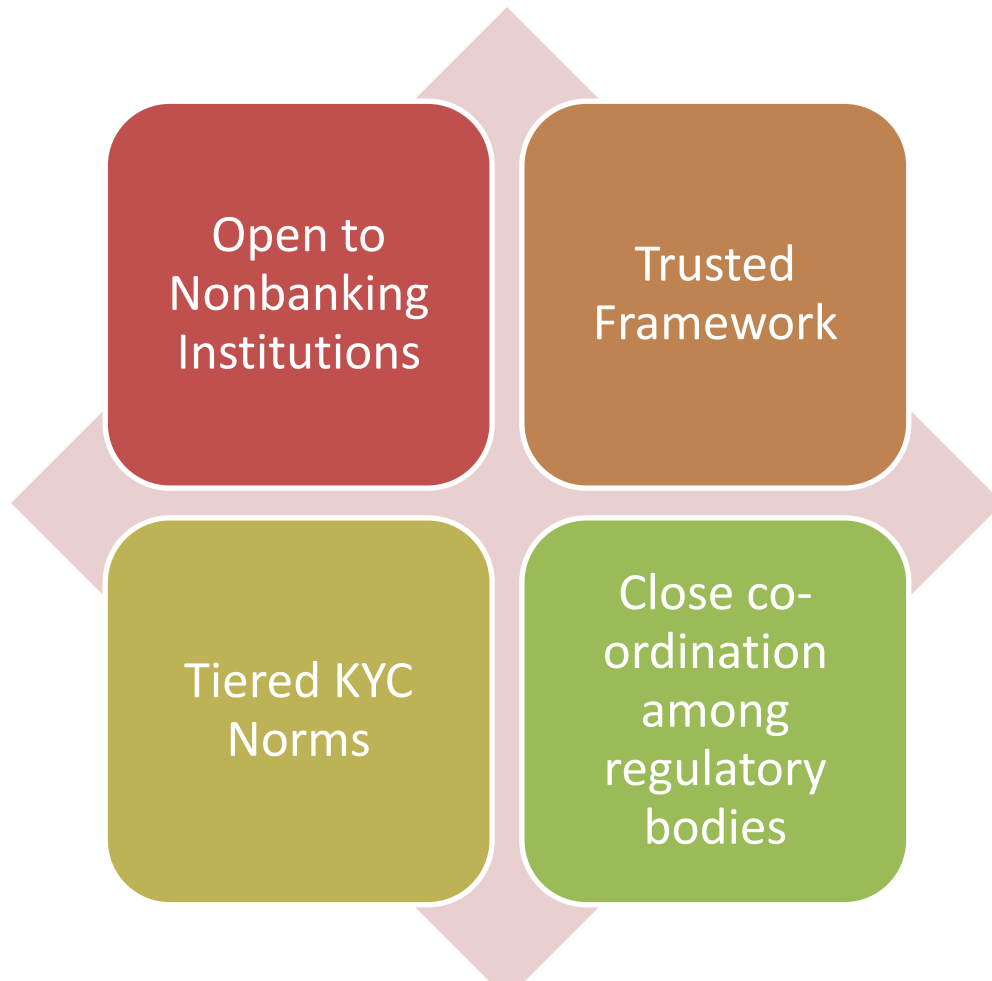
Favorable cases for Branchless banking



✓ Branchless Banking is the need of the hour across Africa

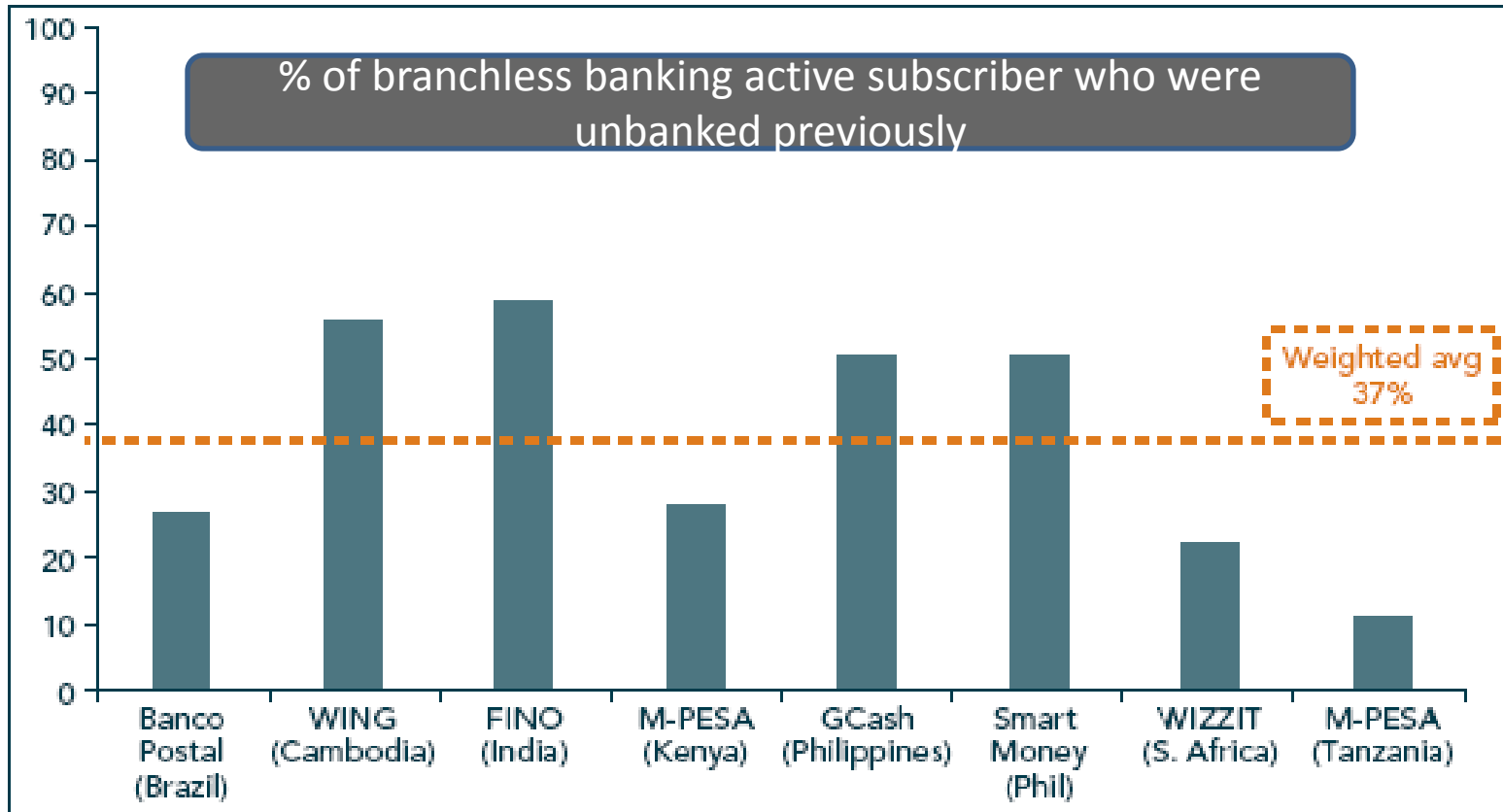


Supportive Regulatory Environment



Regulation enables Trust & builds Confidence

Branchless Banking Success Story



Branchless Banking has helped in financial Inclusion



Source:CGAP 2010 study

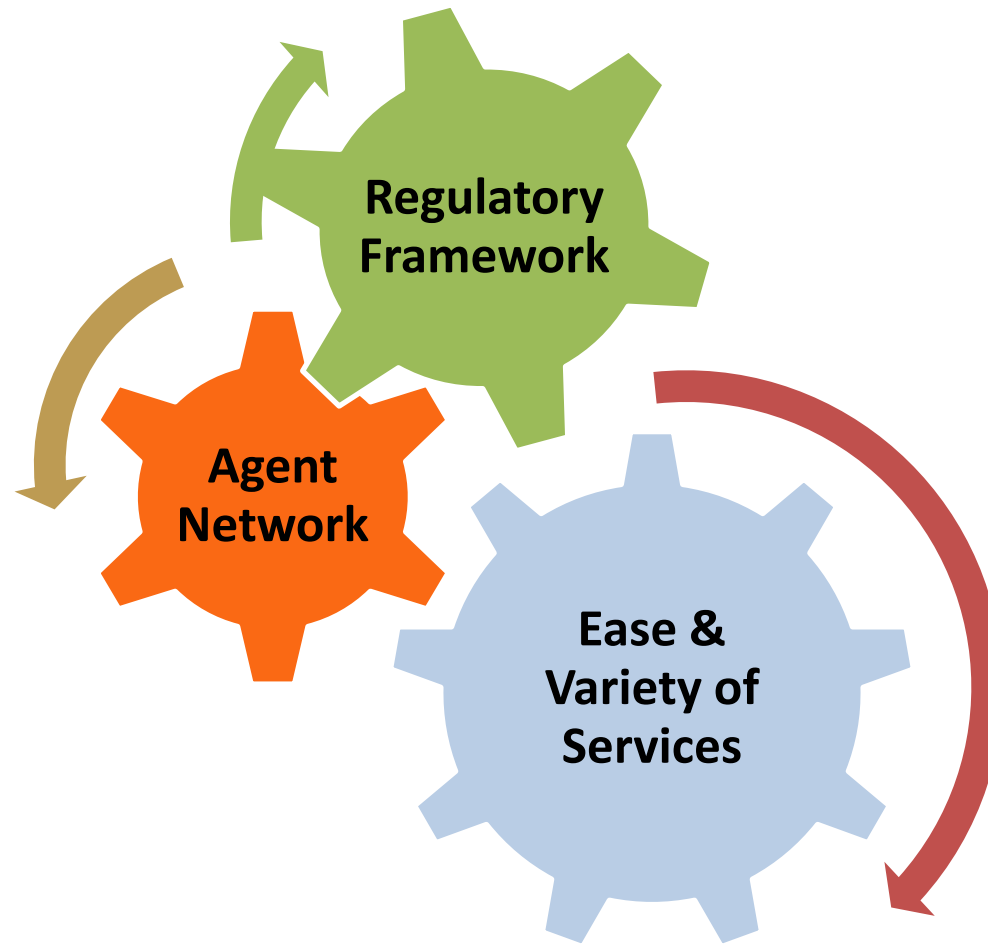


Benefits of Branchless banking

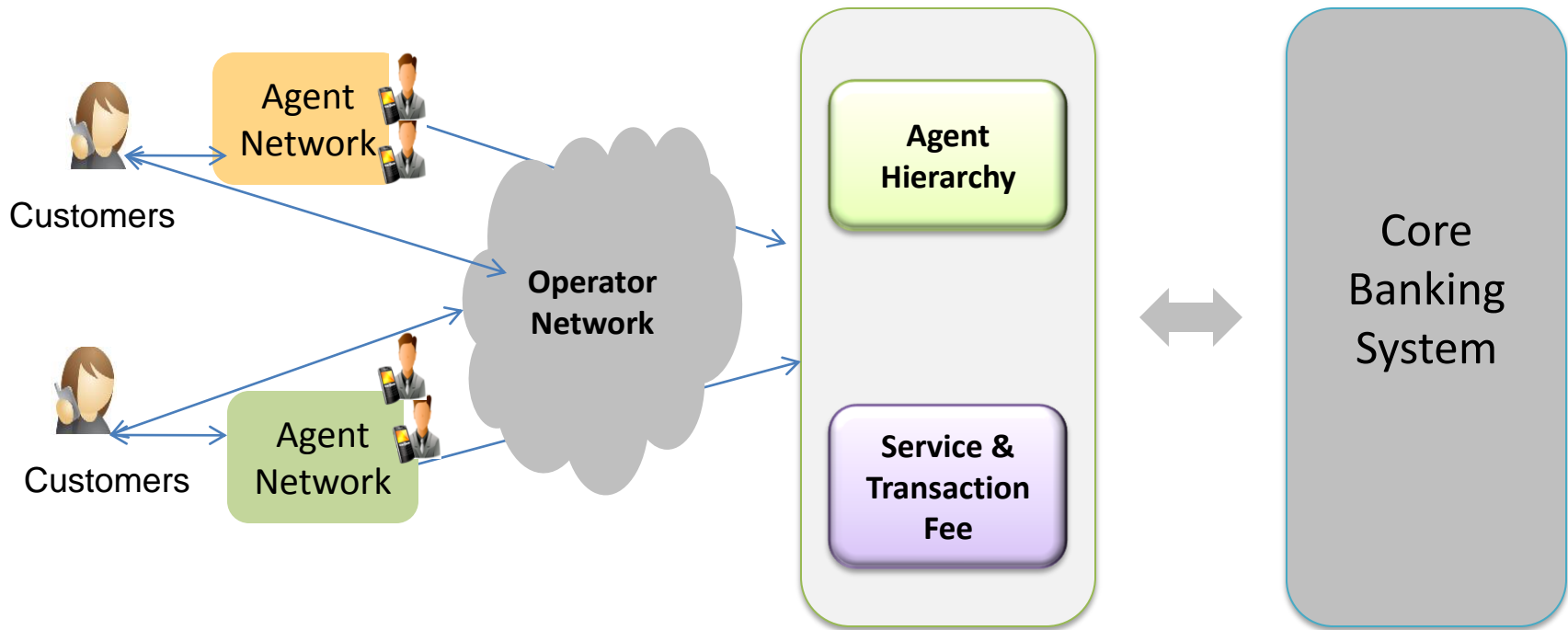
- ✓ Increasing the Security by reducing cash transactions
- ✓ Offering convenient and real-time transactions
- ✓ Affordable transaction costs
- ✓ Services such Microfinance Loans and Remittances
- ✓ Flexible, Expandable Access points by Agent Network
- ✓ Growth Driver for Country's Economy



Key Drivers for sustainable Branchless Banking



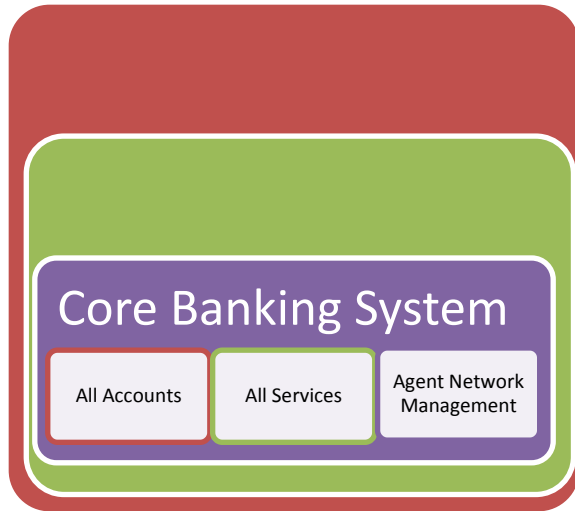
Branchless Banking - Building Blocks



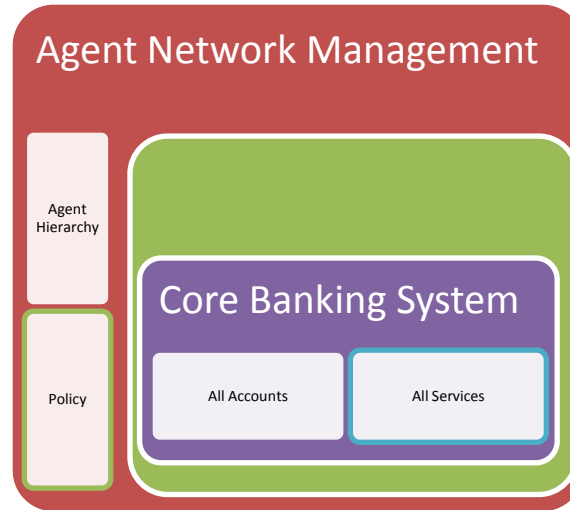
| | | |
|--------------------------------------|---|--|
| <p>Typical Services Added</p> | <p>Agent Services</p> <ul style="list-style-type: none"> • Account opening • Cash-in • cash-out • Payments | <p>Self Services</p> <ul style="list-style-type: none"> • Mobile Top-up • Money Transfer • Balance enquiry • Bill Payments • Mobile Banking services |
|--------------------------------------|---|--|

Agent Network can leverage exiting retailers - MFI/Telco/FMCG/etc.

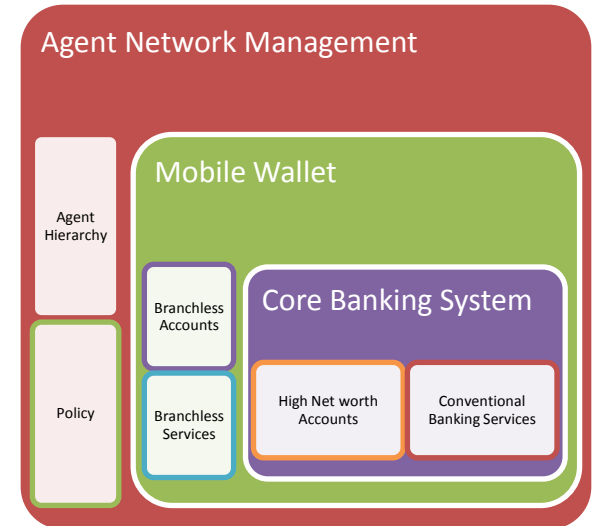
Banking System Transformation



Approach 1

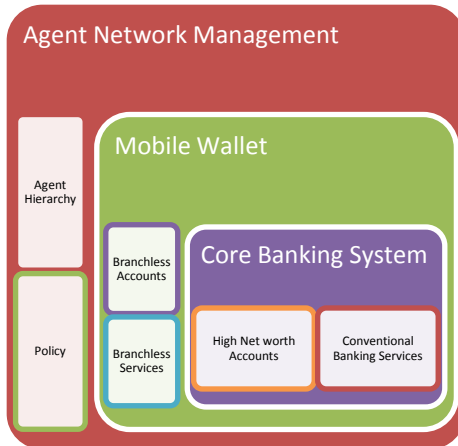


Approach 2



Approach 3

Benefits of Mobile Wallet



Time to Market

- Off the Shelf
- Existing Agent N/W & MNO Integration

Cost

- Integration v/s Customization
- Distributed Across Industry

Flexibility

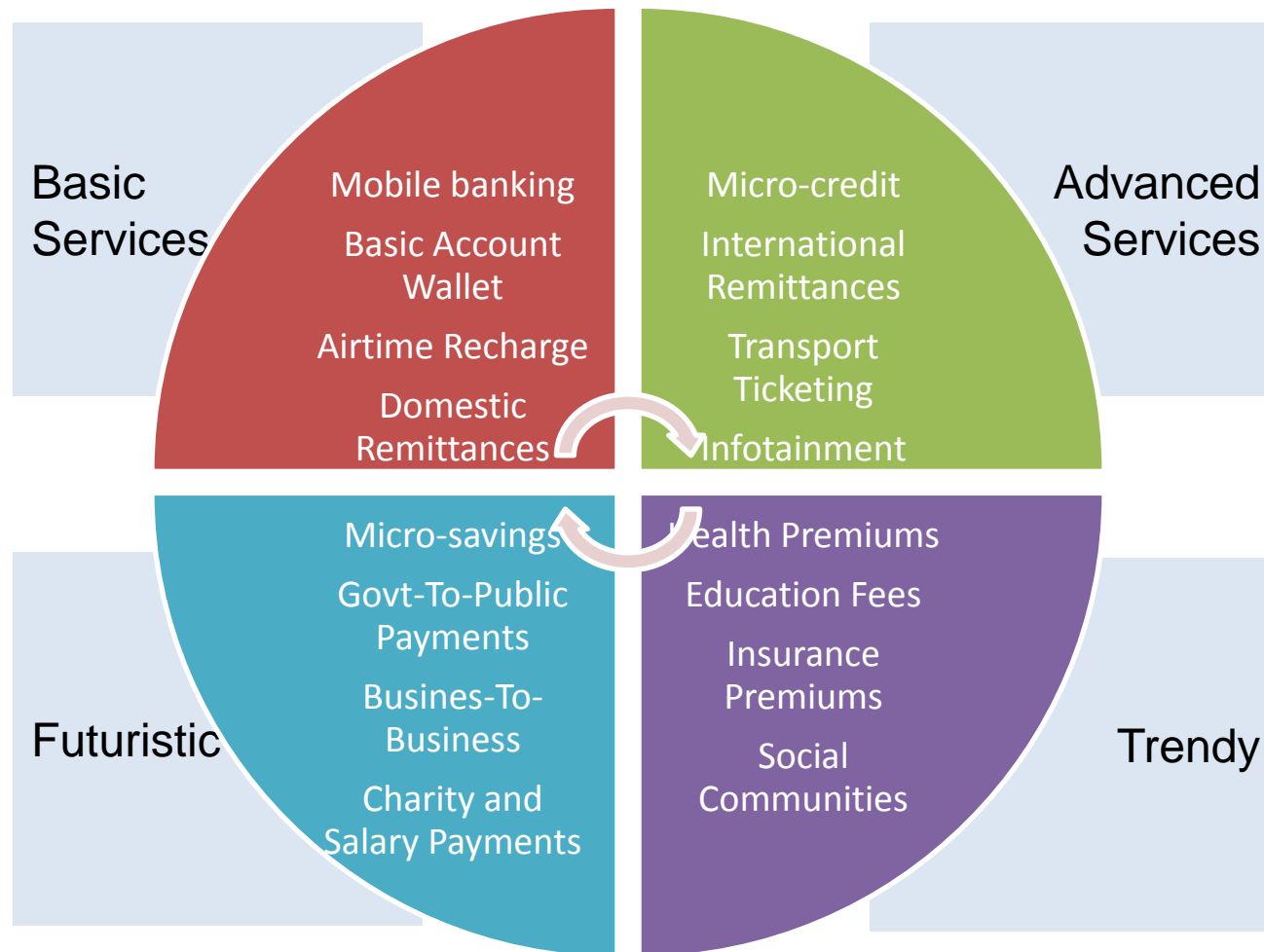
- Emerging Features - Innovation Phase
- Compete with Non-banking Sector

Class of Service

- Ease of Service Differentiation between Conventional and Branchless Customers



Mobile Wallet – Cutting Edge Services



Case Study - WING Cambodia

Develop a *secure & sustainable* branchless banking model that allows unbanked people to make *low cost* and *accessible* banking transactions.

Increasing the *technology take-up* for the unbanked.

Develop a *strong merchant network* to reach as many target locations and customer as possible

Case Study – WING Cambodia

| Participants | Cash In | Cash Out | Services Offered | | | Business Model Drivers for Client | Business Model Type | Access Bearers |
|---|---------|-------------|---------------------------|-------------------------------|-----------------------------|--|---------------------|---------------------|
| | | | B2P | P2P | P2B | | | |
| Billers, Merchants, Mobile Operator, Bank, MFIs | Agent | Agent & ATM | Yes (Salary Disbursement) | Yes (Domestic, International) | Yes (Bill Payments, Top-up) | Transaction Revenue, Bank the unbanked, operator agnostic money services | Bank Led | USSD J2ME Web |

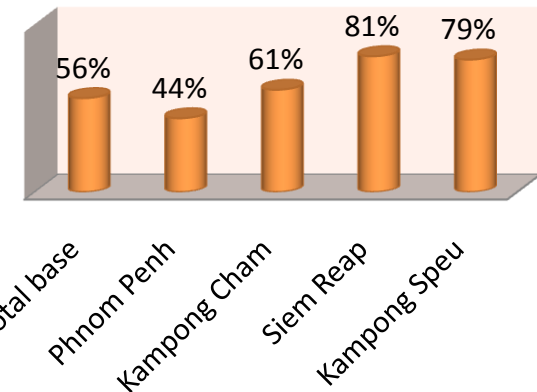
Problem Statement

- Cambodia has a population of 14.5 Mn, of which about 5% have a bank account, while there are over 5 Mn mobile phone subscriptions.
- The Bank wanted to build an operator agnostic mobile commerce service to cater to the unbanked population

Solution

- Comviva's mobiquity™ solution provided airtime top-up, P2P payments, cash in, cash out i.e. mobile wallet services
- It works for customers without a phone, who can use their unique customer registration number and PIN on a shared phone.

Result



Wing's Subscriber Base which was unbanked before the WING Service

mobiquity™ Deployments



Deep Ecosystem Experience

- Total of **38 deployments** live or underway* - since 2008
- **25 operator-led** deployments, **13 bank-led** deployments
- Mobile remittance, wallet, banking and payment solutions deployed

mobiquity deployments - live or underway



* 34 deployments - includes 8 deployments where customer is yet to decide on all rollout countries



THANK YOU

Comviva - Global leader in providing mobile solutions beyond VAS

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