

Mobile Payments and Banking Infrastructure The Intersection

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Group Managing Director



paynet

The Paynet Group



Outsource service provider;

- *Corporate Payments*
- *ATM and POS management*
- *Card processing*
- *WagePoint*
- *Consulting*



*3rd Party ATM acquiring network.
Largest in East Africa.*

- *ATM cash withdrawals*
- *POS agent network*
- *Airtime sales*
- *Bill payments*

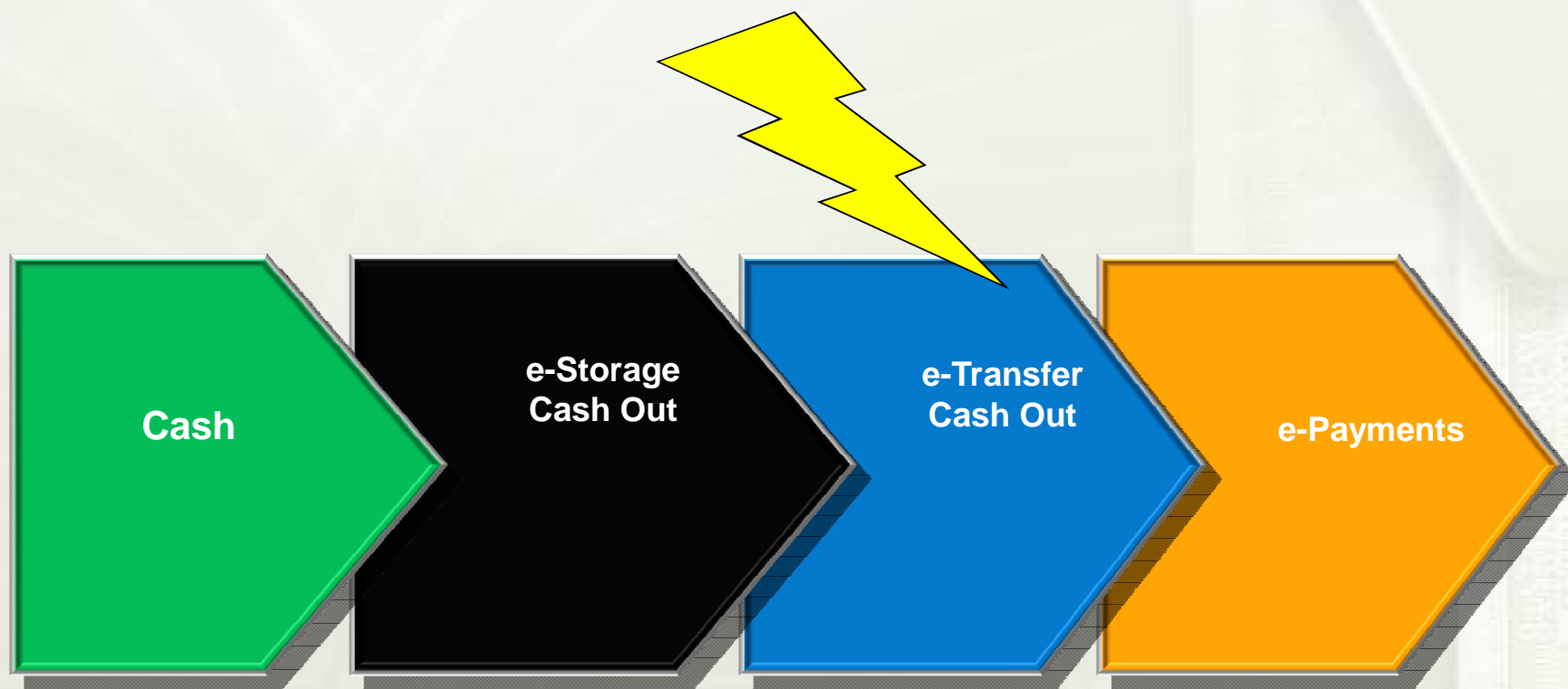


*Product and Support Services,
supporting the solutions
implemented
by PesaPoint and Paynet*

PESATRANSACT

- *Agent POS*
- *Airtime sales*
- *Cash withdrawals*
- *Bill payments (to come)*





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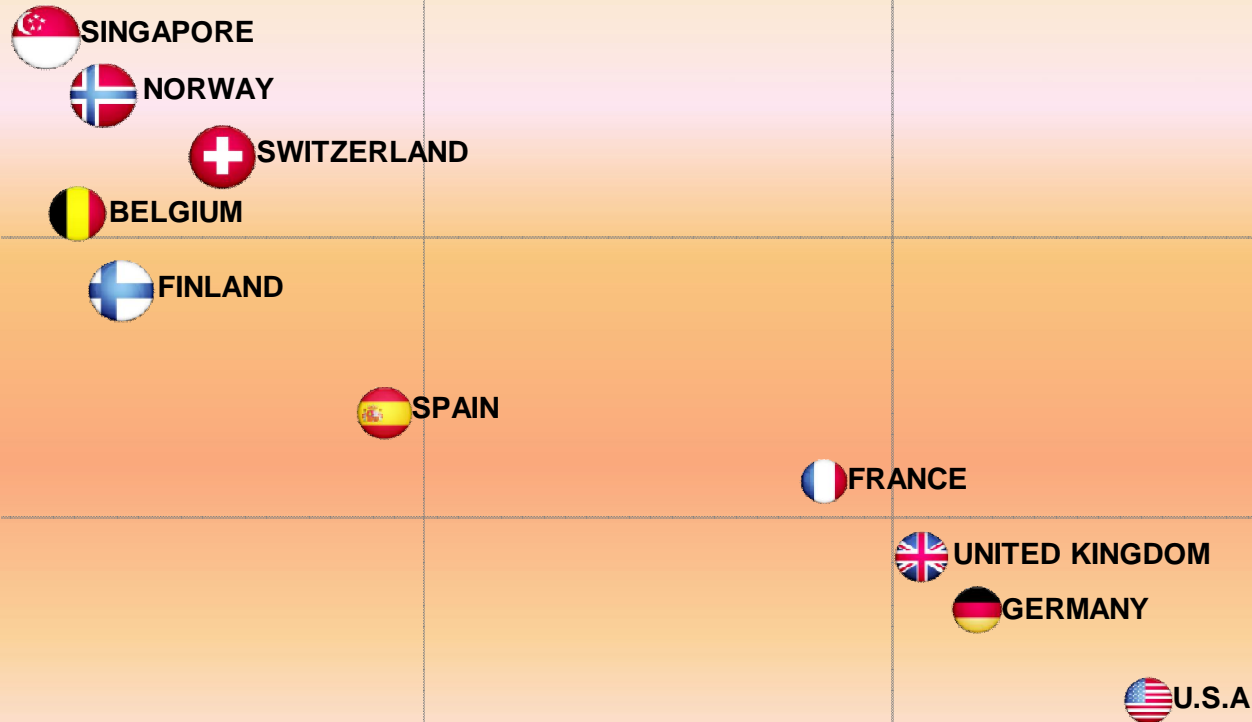
Smaller economies need greater collaboration

Degree of Collaboration

Industry Wide
Collaboration

Multiple alliances
targeted at specific
products or
channels

Low level of
collaboration
targeted at basic
infrastructure



LOW

MEDIUM

LARGE

Size of Economy



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PesaPoint

- 36 Banks connected
- 3 Saccos
- Visa, Amex, Mastercard, JCB
- 110 unique ATM locations, many rural
- Where people live, work and shop
- African Investor 'Best New Infrastructure 2006'



You want greater access to your cash we've linked up with PesaPoint



Standard Chartered has partnered with pesa point

This means that in addition to our ATMs, all our debit card holders can now access cash conveniently and affordably from even more locations across Kenya. For more information, Call 3290900.

Terms and condition apply.



Sasa wateja wa Postbank waweza kupata Pesa popote pale, na PesaPoint.

Kwa maelezo zaidi wasiliana nasi kupitia:
KENYA POST OFFICE SAVINGS BANK
Namburi ya simu: +254 20 729551/4, 2803 384 au 2803 284
Barua pepe: info@postbank.co.ke

Au wasiliana na PESAPoint kwa
Namburi ya simu: 0734 853000, 0726 853000, 020 853000
Barua pepe: callcentre@pesapoint.co.ke



Your money, wherever you need it, whenever you need it.



Relief



More points of access to your money.

CBA has partnered with Visa, KeePass and PesaPoint to make your banking experience a whole lot more stress-free. With over 400 ATMs at your disposal, accessing your money has never been easier.
Your CBA Visa Electron Debit Card is more than just an ATM card. It can also be used to pay for your shopping, fuel, dinner and much more, wherever Visa is accepted.



what stress-free banking?

You are now "hooked up"



The new partnership between NBB and PesaPoint means our customers can now withdraw money at any one of the 110 PesaPoint ATMs countrywide. That is over and above the 33 NBB ATMs already in operation from Busia to Mombasa. More places to access your money. More reasons why NBB is truly the bank where you belong.



Benefits of being "hooked up"

1. More convenient
PesaPoint ATMs are located where you live, work and shop making it more convenient and safer to access and handle your money.
2. Easier
PesaPoint is rolling out 120 ATMs countrywide for faster and more convenient access to your money.
3. More secure
PesaPoint ATMs are located in secure, well-lit areas. Panic buttons linked to a security company are placed at PesaPoint ATMs for you to activate should you feel that your safety at the ATM is compromised.

4. Lower cost
As a customer of National Bank of Kenya, it will cost you Ksh. 40 only to withdraw money from PesaPoint ATMs.

Because National Bank of Kenya is now a member of the PesaPoint ATM network, the Visa transaction fees you were paying for withdrawing money at PesaPoint ATMs no longer applies.



Kshs 40.00



The only charge when you withdraw cash at a PesaPoint ATM



All you need to know about being "Hooked Up"



Will there be a PesaPoint ATM near me?

120 PesaPoint ATMs are being installed covering major towns and routes for your convenience. PesaPoint ATMs are located where you live, work and shop. There is always one near you.

Are PesaPoint ATMs easy to use?

Yes. PesaPoint ATMs have step-by-step, on-screen, easy-to-follow instructions to guide you safely and clearly through the transaction process. The option of choosing the instructions to appear in either English or Swahili is available at the beginning of the transaction process.

What do I do if I have problems using a PesaPoint ATM?

If you experience problems with the ATM, call the PesaPoint helpline number shown on the ATM - 2833 300 - and a PesaPoint-trained and professional staff will assist you. If your problem is not solved directly to your account, contact your regular customer service at National Bank of Kenya.

Contacts

For more information, please contact Customer Care Service on:

NBB Card Centre
Tel: 28 28 8666 or 020 70752 662
For bank account related issues
PesaPoint Call Centre
Tel: 28 52 2000 for PesaPoint ATM related issues.

What is PesaPoint?

PesaPoint is an independent ATM network, enabling cash withdrawal and other ATM services all over Kenya.

Why has National Bank of Kenya joined PesaPoint?

By joining the PesaPoint ATM Network, National Bank of Kenya made big steps in ensuring that you have more options to use your money conveniently and safely.

Can a customer of National Bank of Kenya use PesaPoint ATMs?

Yes. As a customer with an ATM card from National Bank of Kenya, you can use any PesaPoint ATM.

What if I don't have an ATM card from National Bank of Kenya?

The ATM card and PIN number you already have from National Bank of Kenya can be used at any PesaPoint ATM. If you do not have your ATM card, you can apply for one today from your nearest National Bank of Kenya branch.

What will it cost me to use a PesaPoint ATM?

As a customer of National Bank of Kenya, it will cost you Ksh. 40 to withdraw money from PesaPoint ATMs.

National Bank of Kenya is a member of the ATM Network, the withdrawal fees you were previously paying at PesaPoint ATMs prior to this account being upgraded to PesaPoint.

How do I use a PesaPoint ATM?

Simply follow the instructions on the screen which will guide you through the transaction process. For the type of transaction you wish to perform, follow the steps outlined below:

- Step 1: Insert your ATM card into the slot.
- Step 2: Enter your PIN number.
- Step 3: Select the amount you wish to withdraw.
- Step 4: Collect your cash.
- Step 5: Press the 'Done' button.

Followed with desired transaction.

Partnerships 'Endorsement' Print & POS Campaign





Experiential Marketing: ATM Sites
Activations/Urban Centre Road-shows



M-PESA: The beginnings....

- Launched March 2007
- Targeted at the unbanked but convenient for all
- Partial funding from DFID
- Operated in Kenya by Safaricom, in partnership with Vodafone



M-PESA: Mobile Money Transfer today...

Cash In Cash Out

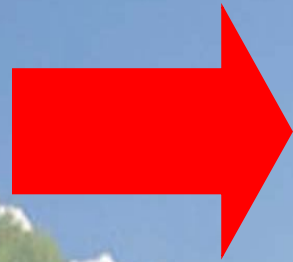
Person 2 Person Transfer

Airtime Top-Up

Bill Payment

ATM Withdrawals

Social / Salary Payments



Sending M-PESA: It's simple!

In your M-PESA menu select "send money" then

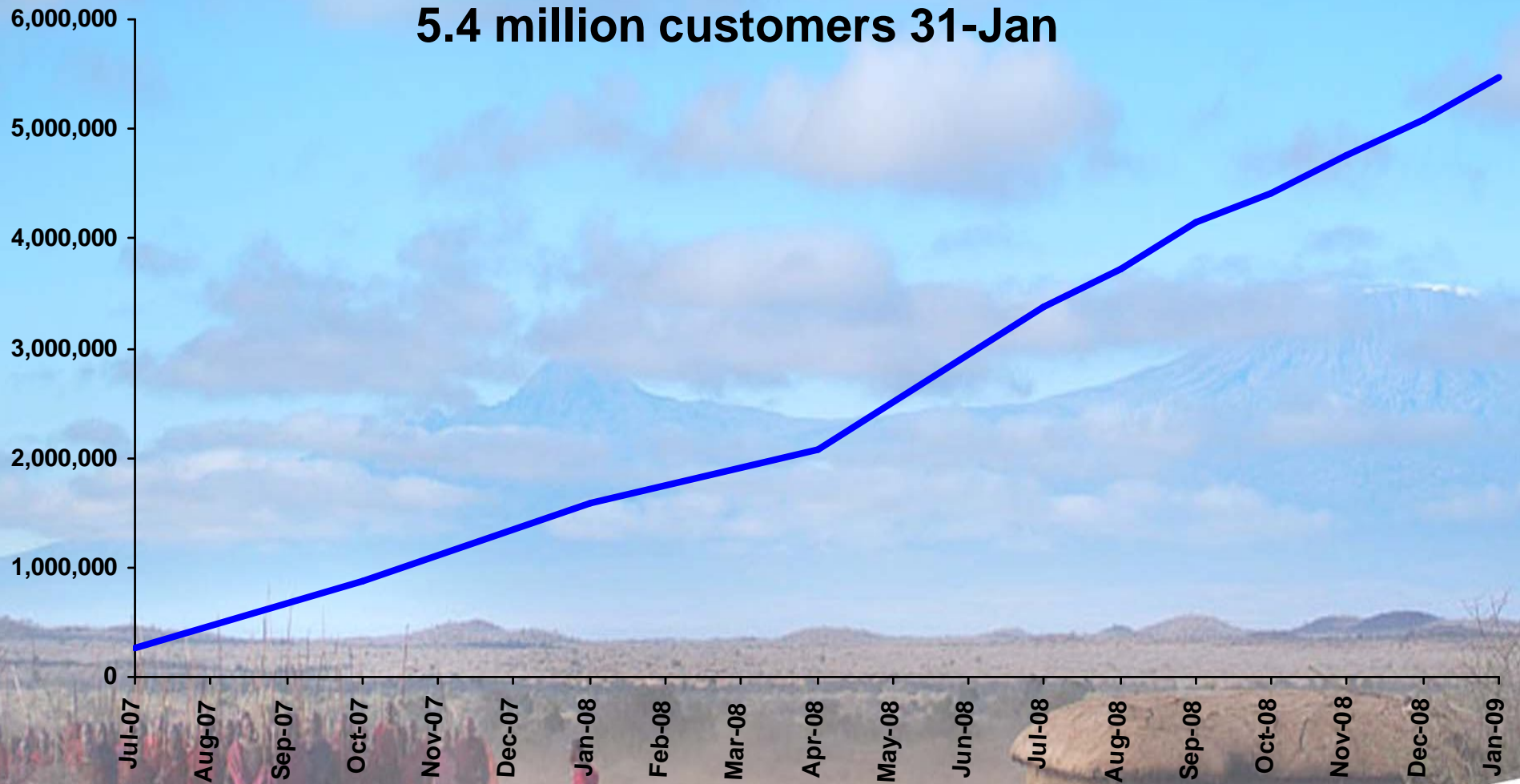
1. Enter recipient phone number
2. Enter how much you want to send
3. Enter Your secret PIN
4. Confirm details and press OK



Both parties receive SMS confirmation of the transfer

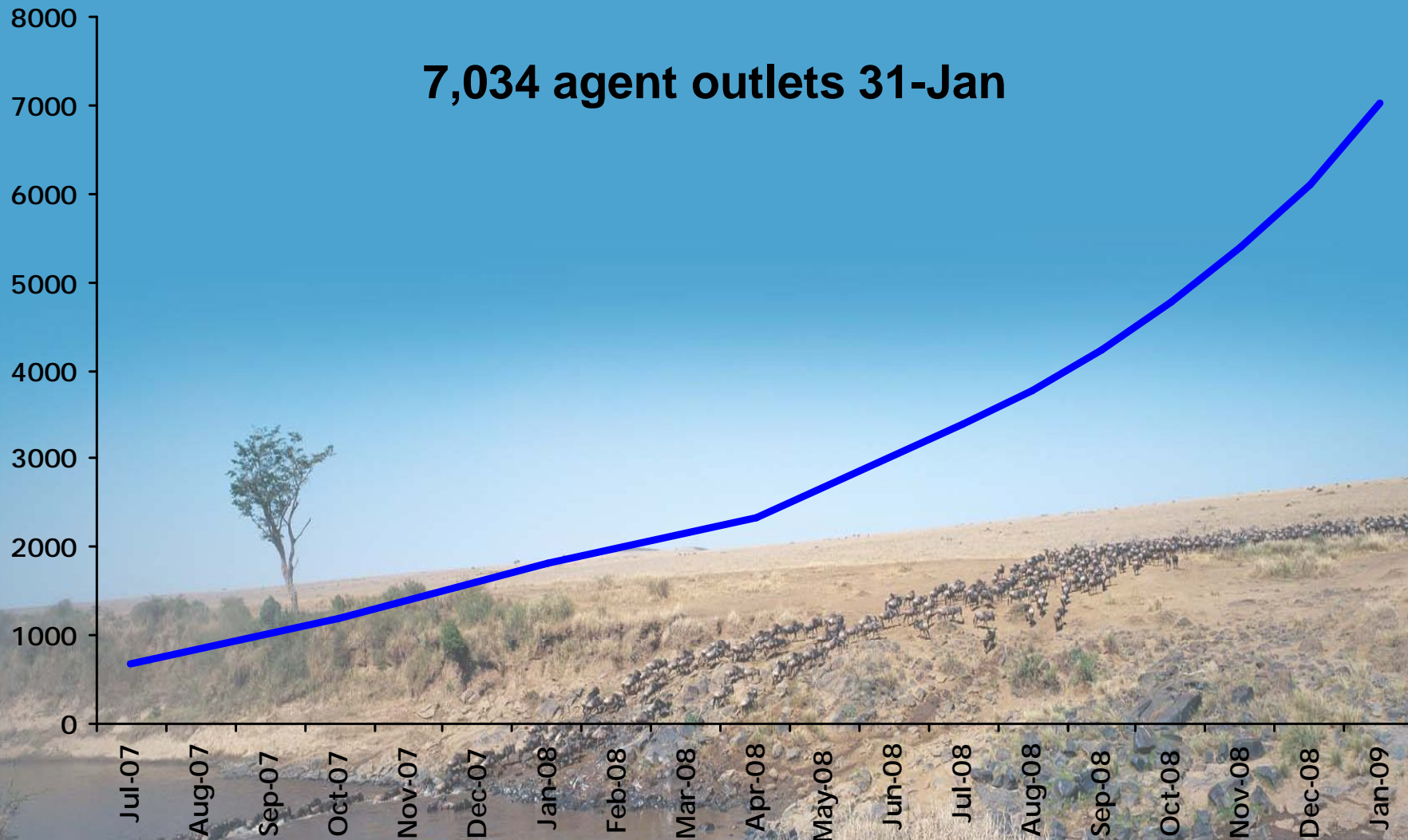
Customer growth

**Average of 10,000 new registrations per day
5.4 million customers 31-Jan**



Agent Network

7,034 agent outlets 31-Jan

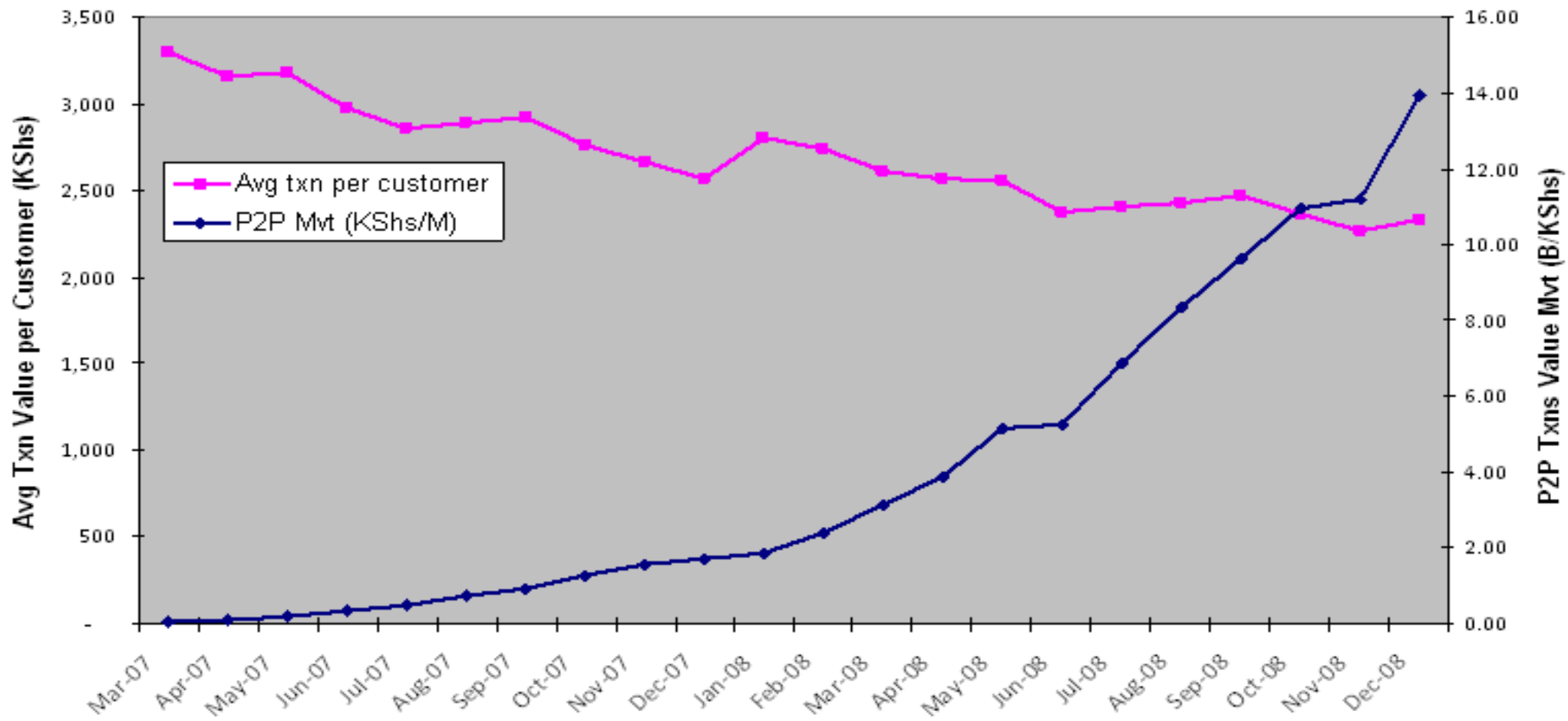


Person to Person Transfers

13.7B KShs moved Person to Person in Jan-09; 103.6B since launch

Average transaction value is reducing – an indication that M-PESA is reaching the unbanked

P2P Txns Value Movement Vs. Avg P2P Txn Value per Customer



Impact on Kenyans

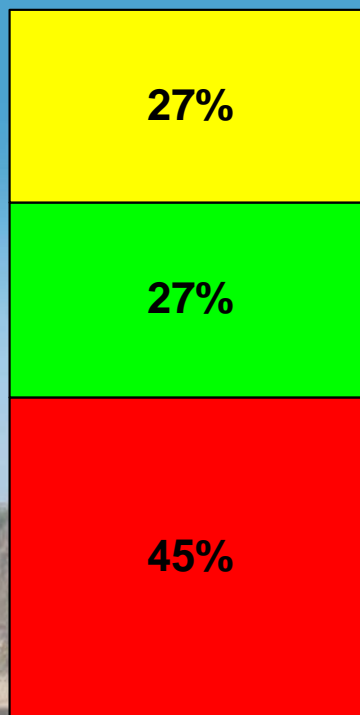
- Bridging the distance
 - SMEs using the service to transact
 - Sending *Pesa* home has never been this easy & affordable
- Convenience – employers (wage payment), paying of bills
- More than 12,000 employed directly and in directly

**FAST SAFE AFFORDABLE & CONVENIENT
MONEY TRANSFER BY PHONE**

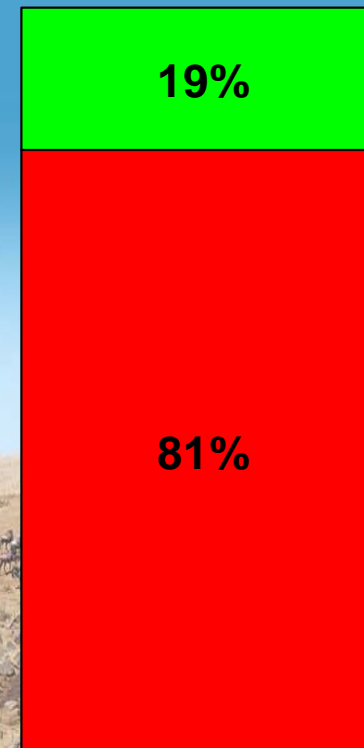
Why Mobile Money Transfer

Only 19% of Kenyans have bank accounts but many more have access to a mobile phone & the gap is widening

Kenya's Mobile Market



Banked Population



Some Banks offer mobile banking as added value service to their customers

■ No Access ■ Friend/Family ■ Own ■ Unbanked ■ Banked

*Source – Finaccess national survey 2006



PesaPoint / M-Pesa

- Interface with Vodafone
- Interconnection agreement with Vodafone
- Commercial agreement with Safaricom
- Cardless transaction at ATM
- Customer education



The process – Phone

Withdraw your M-PESA from PesaPoint

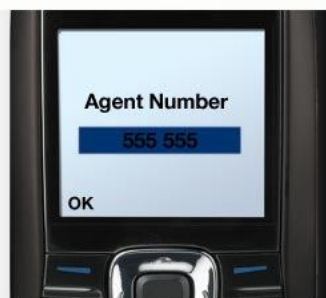


1. From your
Safaricom line



Step 1

Select 'ATM Withdrawal'*
from the M-PESA menu



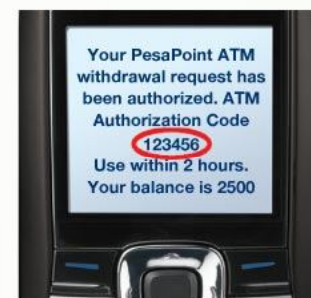
Step 2

Enter Agent Number as
555 555 and press **OK**



Step 3

Enter your M-PESA PIN
and press **OK**



Step 4

You will receive a 1-time ATM
Authorization Code via SMS

*If you do not have the 'ATM Withdrawal' option on your menu, select 'My Account' in your M-PESA menu, select 'Update Menu' and a new menu will be sent to your phone at no cost. This service is available only to registered M-PESA customers. Normal "Withdraw Cash" tariff applies. Minimum withdrawal amount Ksh 200.

www.safaricom.co.ke
Terms and conditions apply



The process –ATM

Withdraw your M-PESA from PesaPoint



2. On the PesaPoint ATM



Step 5

Select **M-PESA** option on the PesaPoint ATM, and then select a language



Step 6

Enter the 6 digit Authorization Code on the ATM keyboard and select **continue**



Step 7

Use your ATM keyboard to enter your mobile number and press **continue** to proceed



Step 8

Enter the amount you wish to withdraw in the space above and select **correct** to proceed

Step 9

PesaPoint ATM dispenses your cash and a receipt. You will receive a confirmation SMS from M-PESA "12AB346 Confirmed. On 1-Aug-2008 at 11.25 am. Ksh 1,500 withdrawn from PesaPoint ATM. New balance is 975".



www.safaricom.co.ke
Terms and conditions apply



Customer Education

- Press, radio and on the ground activations
- PesaPoint Customer Service Representatives
- 'How to' posters on location
- Word of mouth

Withdraw your M-PESA
from PesaPoint



First from your Safaricom line

Then on the PesaPoint ATM



Step 1
Select 'ATM Withdrawal' from the M-PESA menu



Step 2
Enter Agent Number as 000 000 and press OK



Step 3
Enter your M-PESA PIN and press OK



Step 4
You will receive a 1 time ATM Authorization Code via SMS



Step 5
Select M-PESA option on the PesaPoint ATM, and then select a language



Step 6
Enter the 6 digit Authorization Code on the ATM keypad and select CONTINUE



Step 7
Use your ATM keypad to enter your mobile number and press CONTINUE to proceed



Step 8
Enter the amount you wish to withdraw at the notice above and select CORRECT to proceed

Step 9
PesaPoint ATM dispense your cash and a receipt. You will receive a confirmation SMS from M-PESA. *SARASIM Confirmed. On 1 Aug 2008 at 11:28 am. Ksh 1,000 withdrawn from PesaPoint ATM. New balance is KSh 0.

pesa point

SafeMoney Customer Care. Call or SMS 011 222 from your Safaricom line. www.safaricom.co.ke Terms and Conditions apply.

Safaricom

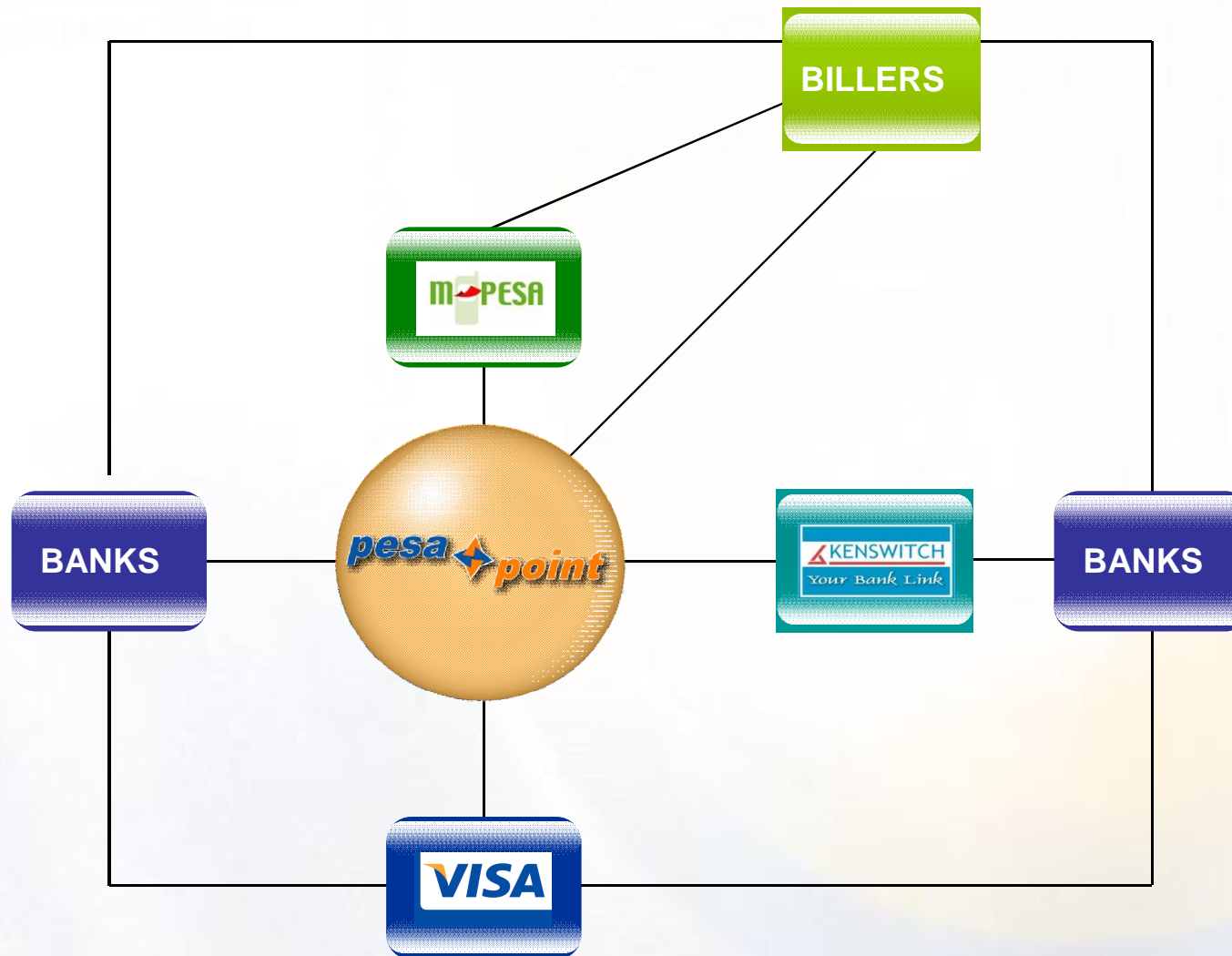


Financial Sector Outlets

**Over 10% of Agent Outlets – approx
650**

Type	Nr of Outlets 31-Dec-08	Including
Banks	274	Kenya Post Office Savings, Equity, Housing Finance, Family, Consolidated, Giro Commercial, Agricultural Finance Corporation
MFIs	51	Pep Intermedius, Sasa Kenya, People Micro Credit, K-REP Fedha
Saccos	212	Baringo Teachers, Kirinyaga Farmers, Meru South Farmers, Wakenya Pamoja, Mungania Tea
ATM	110	PesaPoint

PesaPoint Aggregation



Summary

- Banks
 - Valuable delivery infrastructure
 - Liquidity
- Mobile payments
 - Killer app was people to people remittances
 - Mobile players more aggressive customer
- Opportunity for all to extend financial services to a far wider audience



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