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## BUILDING A THRIVING DFS ECOSYSTEM

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## KEY INGREDIENTS FOR BUILDING A THRIVING DFS ECOSYSTEM

- **Customers:** Critical mass of unbanked or under banked potential customers
- **Regulations:** Favourable DFS Regulations
- **Telecoms:** Mature Telecom Infrastructure

Please note there are many other factors that play a role in development of DFS ecosystem. I have just mentioned the key ones. If these exist then market conditions will ensure that other factors develop favourably sooner or later

## DFS IS CHANGING THE WORLD AROUND US

### **Bill Gates Vision for 2030:**

<https://youtu.be/i0FYkGpVpdQ>

- Available in 93 countries
- 51 of 93 countries have enabling regulation
- 411 million registered accounts
- Processing 33 million transactions a day
- 19 markets have more mobile money accounts than bank accounts
- 37 markets have 10 times more registered agents than bank branches

# EXPERIENCE SHARING FROM THREE MAJOR DFS MARKETS

	Pakistan	Bangladesh	Kenya
Customers	<ul style="list-style-type: none"> <li>• Critical mass of unbanked/underbanked customers</li> </ul>	<ul style="list-style-type: none"> <li>• Critical mass of unbanked/underbanked customers</li> </ul>	<ul style="list-style-type: none"> <li>• Critical mass of unbanked/underbanked customers</li> </ul>
Regulations	<ul style="list-style-type: none"> <li>• Regulations: Favourable</li> <li>• License: Telcos own bank</li> <li>• Management Control: Telco</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations: Unfavourable</li> <li>• License: Banks partner telco</li> <li>• Management Control: Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations: Favourable</li> <li>• License: Telcos partner bank</li> <li>• Management Control: Telco</li> </ul>
Telecoms	<ul style="list-style-type: none"> <li>• Mobile Subs: 94mil</li> <li>• Mobile Penetration***: 48%</li> <li>• Mature</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile Subs: 89mil</li> <li>• Mobile Penetration***: 54%</li> <li>• Mature</li> </ul>	<ul style="list-style-type: none"> <li>• Mobile Subs: 37mil</li> <li>• Mobile Penetration***: 77%</li> <li>• Mature</li> </ul>
DFS	<ul style="list-style-type: none"> <li>• DFS Registered Subs: 23mil</li> <li>• DFS Penetration: 24%</li> </ul>	<ul style="list-style-type: none"> <li>• DFS Registered Subs: 51mil</li> <li>• DFS Penetration: 57%</li> </ul>	<ul style="list-style-type: none"> <li>• DFS Registered Subs: 34mil</li> <li>• DFS Penetration: 91%</li> </ul>
Products	<ul style="list-style-type: none"> <li>• Monthly transactions: 46mil</li> <li>• Advanced**</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly transactions: 151mil</li> <li>• Basic*</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly transactions: 145mil</li> <li>• Advanced**</li> </ul>
<p>*Basic Products: Cashin, Cashout, P2P, A2A, Bill Payment, Topup, Benefits/Salary Disbursement, Airtime Transfers  **Advanced Products: Merchant Payment, Loans, Savings, Insurance, Airtime Loans  ***Unique Subscribers Percentage of population</p>			

## RECOMENDATIONS FOR BUILDING A THRIVING DFS ECOSYSTEM

- **Customers:** Identify critical mass of unbanked or under banked potential customers
- **Regulations:** Develop favourable DFS Regulations
- **Telecoms:** Leverage Mature Telecom Infrastructure

Please note there are many other factors that play a role in development of DFS ecosystem. I have just mentioned the key ones. If these exist then market conditions will ensure that other factors develop favourably sooner or later