



USAID
FROM THE AMERICAN PEOPLE

Status and Trends in Mobile Banking

Rural Bankers Association of the Philippines (RBAP)

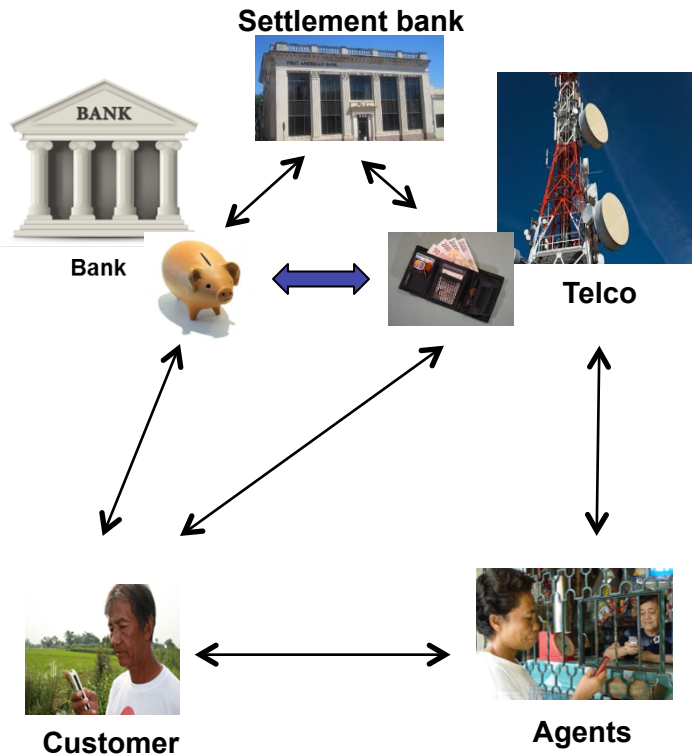
56th Charter Anniversary Symposium

November 12, 2013

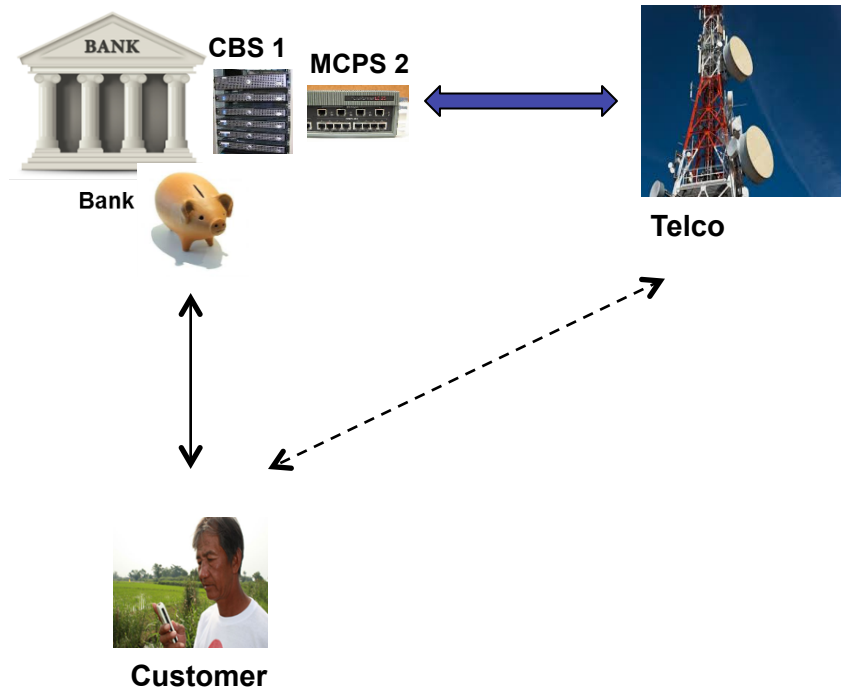


New models in mobile banking

Outsourced store-of-value account



Own store-of-value account



Note:

- 1 Core banking system
- 2 Multi-channel payment switch



New models in mobile banking

Criteria	Outsourced store-of-value account	Own store-of-value account
Store-of-value account	<ul style="list-style-type: none"> • Deposit account in bank • E-money account in MNO • M-money service owned by MNO • Updating of deposit accounts by batch 	<ul style="list-style-type: none"> • Deposit account in bank • M-banking service is owned by bank <p>Bank is responsible for:</p> <ul style="list-style-type: none"> Marketing Customer acquisition Operations After-sales service Distribution (agents) <ul style="list-style-type: none"> • Updating of deposit accounts in real time
Potential additional revenues	<ul style="list-style-type: none"> • M-money payroll service 	<ul style="list-style-type: none"> • Customer usage of m-banking services (e.g. balance inquiry, intra-bank FT, inter-bank FT, bills payment, buy airtime) • M-money payroll service
Cost savings	<ul style="list-style-type: none"> • Loan disbursements • Loan collections 	<ul style="list-style-type: none"> • Loan disbursements • Loan collections
Operating costs	Additional support staff	Additional support staff
Investments	Minor system changes <ul style="list-style-type: none"> • Generating disbursement file • Posting of collections file 	<ul style="list-style-type: none"> • Multi-channel payment switch (for ATM, mobile phone, internet, other electronic channels) • System integration with MNO



USAID
FROM THE AMERICAN PEOPLE

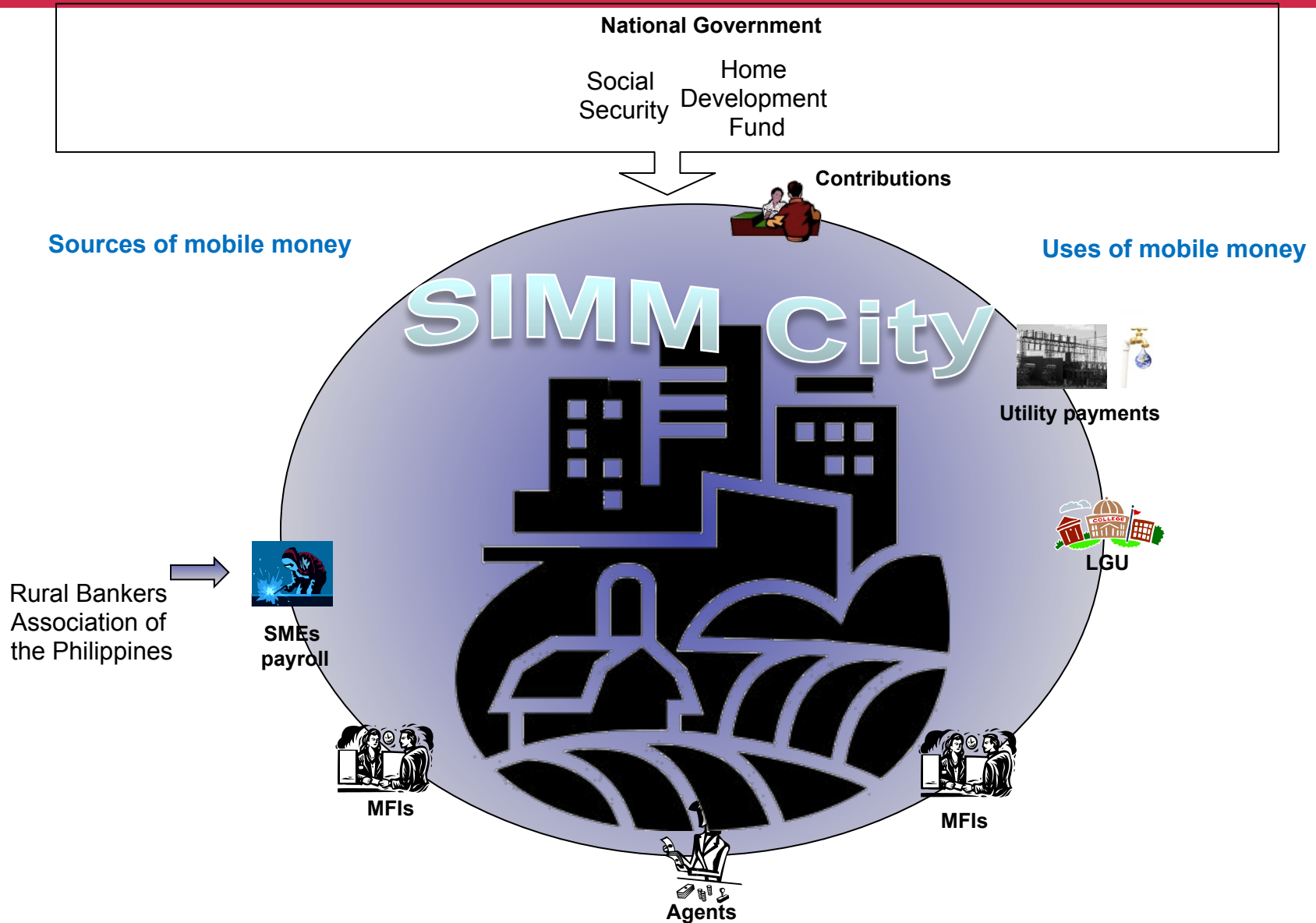
Scaling Innovations in Mobile Money (SIMM) Project

Indicators	Outsourced store-of-value account	Own store-of-value account
Note: in Php millions, except *		
Number of borrowers (current)	21,100	17,135
Loan portfolio	Php366.00	Php100.00
Average loan size	Php24.00	Php20.00
Number of clients driving mobile money transactions		54,800
Revenue per customer*		Php690
Project Benefits/Savings		
Teller cost savings for automated recording of repayments	Php0.07	Php7.60
Cost savings for removing cash collection for loan repayments	Php1.18	Php1.12
Cost savings for automated disbursement administration	Php0.02	Php0.14
Appraiser cost savings (Jewelry loans)	Php0.76	
Cost savings for reducing cashier's cash counting		Php0.55
Mobile money (MM) revenue		Php2.63
Joining fee for MM users		Php0.27
Annual fee from MM users		Php0.96
Total revenue ³	Php2.03	Php13.27
Project Expenses		
Cost of client registration	Php0.33	
Disbursement fee	Php0.01	
MM ATM cards for participating clients		
Client rebate for using MM for interest payment		
MM fee to receive repayment from client	Php1.30	
Marketing & advertisement	Php0.21	
Customer service staff (HO)	Php0.16	
Mobile money provider revenue share expense		Php0.27
GM joining fee for each MM subscriber (Php50)		Php0.27
GM annual maintenance fee for each MM subscriber (Php50)		Php0.96
Agent Commission		Php3.77
MM & Agent roll-out by Branch		Php0.17
MM Operational Costs (Connectivity)		Php0.08
Settlement Officer		Php0.19
Agent Network Manager		Php0.19
Agent Network Supervisor		Php0.86
Marketing & advertising		Php0.08
Annual maintenance cost ⁴		Php0.13
Annual maintenance cost (agent management module) ⁴		Php0.64
Total Project Expenses ³	Php2.00	Php6.85
Investment		
Software Integration	Php0.21	
Training	Php0.85	
Implementation	Php0.39	
Roll out	Php0.68	
Project Manager		Php0.19
Switch		Php0.64
Agent Management Module		Php3.20
Agent Management Integration Cost to MMP		Php0.20
Agent Management Integration Cost to Temenos		Php0.20
Agent Management Consultant (6 months)		Php1.68
Total Investment	Php2.13	Php6.11
NPV after 5 years	Php0.09	Php6.77
IRR after 5 years	18.42%	105.00%

Phase I – SIMM Cities

Scaling Innovations in Mobile Money (SIMM)

Implementation Approach: Build MM ecosystem





SIMM Contribution

- Technical Assistance
 - Knowledge and experience in mobile money gained from projects worldwide
 - Access to global network and knowledge on mobile money
- Forging partnerships and facilitating collaboration
 - Building the ecosystem (both supply and demand)
 - Leveraging partners and contacts of USAID and DAI
 - Engaging government agencies and private sector for payment streams
- Assistance in regulatory and policy issues
- Research
- Training materials development and Training-of-Trainers



USAID
FROM THE AMERICAN PEOPLE

Thank you

For more information, please contact:

Maria Teresita F. Espenilla
Project Management Specialist
Office of Economic Development
and Governance
USAID/Philippines
E-mail: tespenilla@usaid.gov

Mert Tangonan,
Chief of Party
Scaling Innovations in Mobile
Money
Development Alternatives, Inc.
E-mail:
mamerto_tangonan@dai.com