

SBI

*Alternative Delivery Channels
Extending Banking Beyond Branches*

2012

Pakistan – Financial Services Landscape

- **6 largest country in terms of population**
- **Population = 177 Mill people***
= 51 Mill (0 – 24)
- **35 Banks**
- **10,000 Branches**
- **6,000 ATMs**
- **35,000 POS Machines**
- **12% formally banked i.e. 21 Mill accounts**
- **Mobile subscriber base = 118 Mill** (75 Mill unique)**
 - **97% pre-paid connections**
- **CNIC = 96% of population**



*2009 Population Association of Pakistan estimates

**PTA



Branchless Banking

“Pakistan is a Laboratory of Innovation” - CGAP

- The Central of Pakistan issued Branchless Banking regulations introduced in 2008 and revised them in 2011
- Bank led model allowed
- 2 Branchless Banking Service providers
 - **UBL Omni** – Large commercial Bank, (2011)
 - **EasyPaisa** – Tameer MFB / Telenor partnership (2009)
- 1.4 Mill Mobile Wallets
- 29,000+ Agent locations
- 9 Mill transaction = PKR 38 Bill / month
- 80% OTC transactions (through agents) – Bill Pay & Domestic Remittance
- 6 Branchless banking licenses pending approval from Central Bank



Case Study – UBL Omni

- One of the largest and successful commercial bank in Pakistan
- 1,121 local and 17 international branches , 14,000 staff
- Omni launched in January 2011
- Telco agnostic model
- SMS based transaction menu
- 520,000 registered customers
- 9,500 agents
- 2.8 Mill transactions / month
- 7 – 9 % transaction through account
- Mass Market Strategy targeting the un-banked



پسے بھیجنے کا طریقہ، بدلو یو بی ایل اومنی اپناؤ

آپ بھی اکھوں لوگوں کی طرح بدل دیں پیسے بھیجنے کے تمام پرانے طریقے اور آجائیں ترقی پزیر یو بی ایل اومنی دکان پر جہاں ملے
ملک بھر میں آپ کے کھاتوں تک رقم کی منتقلی فوری محفوظ اور نہایت آسان۔ یو بی ایل اومنی دکان سے ہمیشہ ملے
پکی رسید اور نقد لے سکتے ہیں SMS کا استعمال۔

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Lessons learned

Assumption: Tech savvy youth will be the EARLY ADAPTERS

What is working:

- Massive ATL marketing campaigns during Cricket World Cup 2011 drove account uptake amongst a cricket crazy nation, especially youth
- Bill payment has the largest share on the platform
- Migrant workers sending money back home
- Youth (18-30) amongst early adapters
- Mobile top-up most frequently used
- Creating employment opportunities for youth 15 – 20 segment as support staff at Agent locations

What is not working:

- Campaign recall faded and so did customer interest
- 50% of the agent network idle
- Agent selection policy
- SMS based menu too complex and cumbersome
- MNOs not opening USSD gateways
- ATL marketing approach
- Customer awareness / trust low
- Youth transferring air-time but not money through mobiles

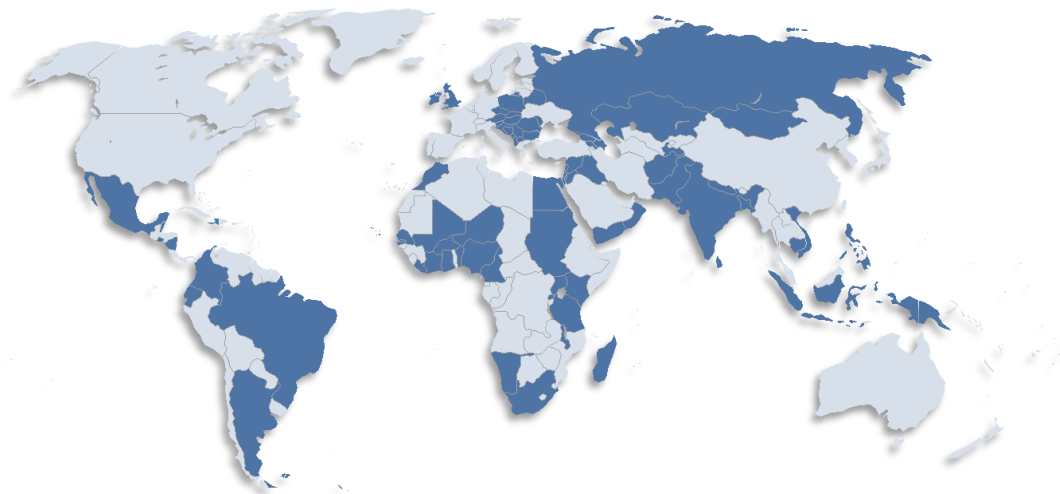
SBI is helping UBL Omni build a sustainable BB platform that offers inclusive financial services

Learning from experience: To maximize “stickiness”, ADC platforms need integration points and a deliberate strategy

Through these hands-on implementation efforts, SBI has learned:

- Technology is the easy part
- Limited first mover advantage – education & trust is a huge barrier to uptake
- Scaling “right” is a factor in attracting and retaining active customers and may be more important than scaling “fast”
- It is critical to select the right agents, i.e. measure qualitative & quantitative attributes for recruiting
- Prioritize products that address customer’s greatest needs
- Mobile / Debit card is a payment instrument, the core proposition should be attractive
- Continue to engage the client by adding different points of interaction on the platform and continuous BTL marketing activities
- Develop partnerships that bring benefits to a range of different market participants and customers
- Service provider inter-operability is key to driving uptake

For more information



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