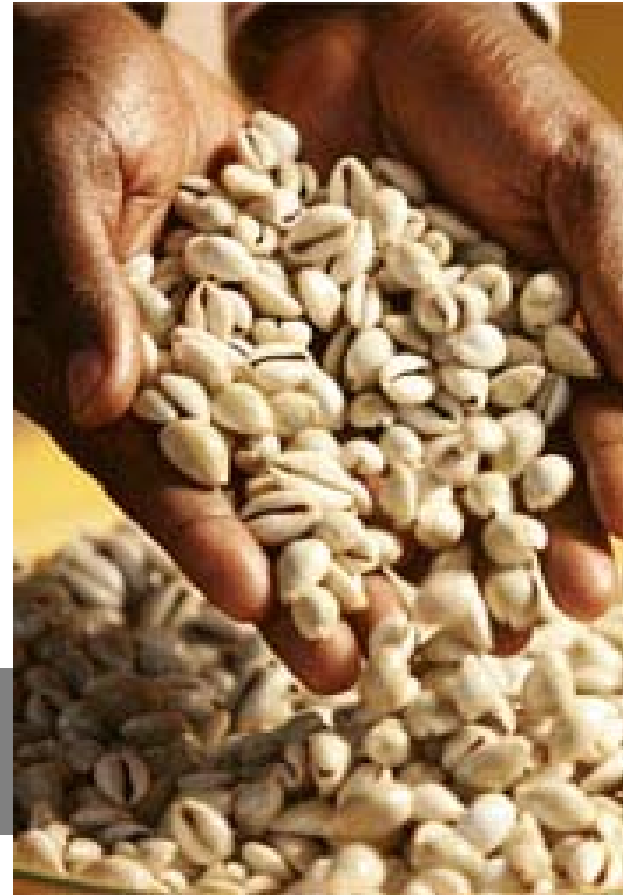




Mobile phones: a new way to access financial services

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CONTEXT



- ❖ The population of Senegal is 41% urban and 59% rural; however
- ❖ Dakar occupies 0,3% of the national territory with 22% of the total population [2,5 millions].
- ❖ The national literacy rate is estimated at 40,2% ; with 50% for men and 31% for women.
- ❖ The bancarisation is 5% .

Banking & micro finance sector



- 5% of the population has access to bank services
- Very dynamic financial sector with more than 700 decentralized financial structures
- Penetration rate 19%.



THE MOBILE PHONE MARKET IN SENEGAL



4 500 000 subscribers for mobile phones.

Growing to 5 500 000 mobile phones subscribers by the end of 2008.

Mobile phone penetration is more than 35%.

Well developed mobile terminals in the black market

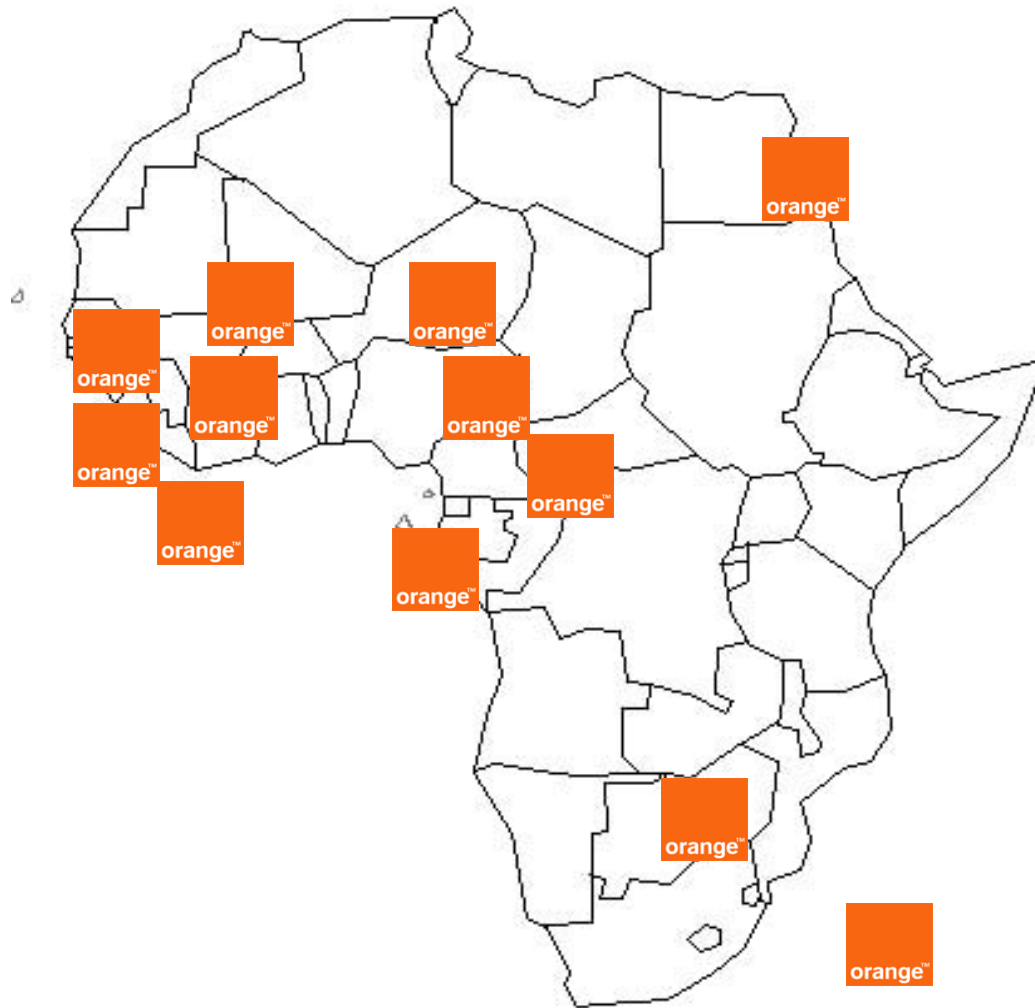
Market dominated by two providers Orange and Tigo

A third operator (Sudatel) is expected this year

Potential market segments from 12 to 77 years old.



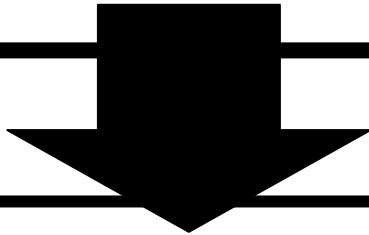
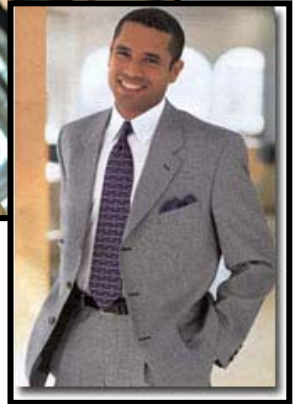
ORANGE IN AFRICA



AN HETEROGENEOUS PARK ACOMMONDED

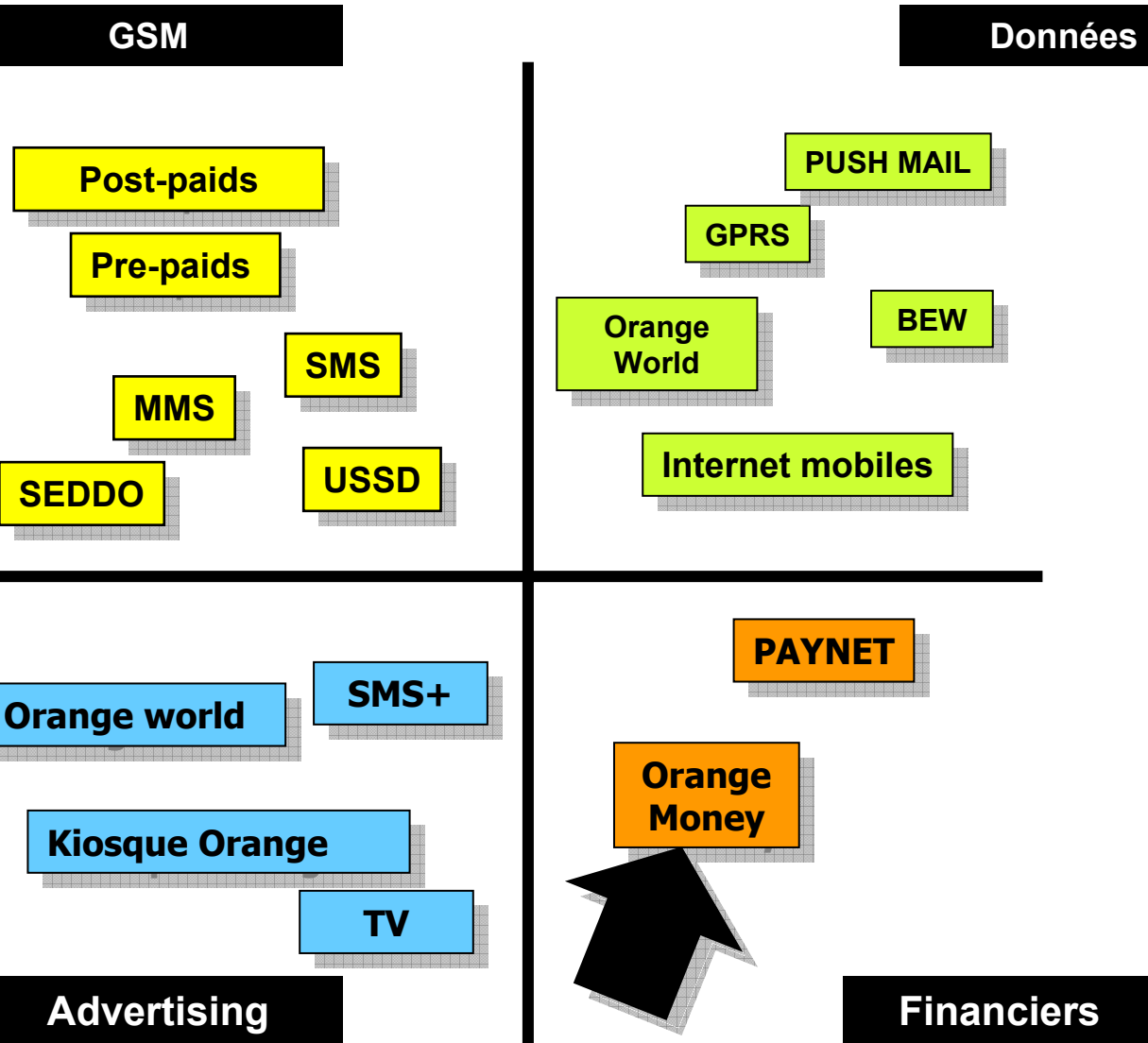


TELEPHONE SUBSCRIBERS



**HOW TO ACCESS PAYMENT MECHANISMS AND
FINANCIAL SERVICES VIA MOBILE PHONES ?**

Positioning : Mobile phone revolution







Products for banks **and** **micro finance institutions**





<p>PAYNET recharge</p> 	<p>Allows clients holding VISA or private cards to <u>charge Orange credit via the internet or mobile network.</u></p> <p>Their account is debited immediately</p>
<p>PAYNET Facture</p> 	<p>Allows clients holding VISA or private cards to <u>pay bills via the internet or mobile network.</u></p> <p>Their account debited immediately</p>





SMS banking



Orange offers banks the possibility to communicate with their clients by sms and allows their clients to do bank operations via sms

- **Checking accounts**
- **SMS alerts when moving**
- **Reminder of loans falling due...**





**ORANGE
WORLD**



Orange world is the mobile phone gateway accessible by data networks like GPRS, EDGE, 3G

- **Stock exchange information**
- **Financial information**
- **Direct access to bank accounts from mobile phone**

STRENGTHS & WEAKNESSES



- **For the operator and the bank or microfinance institution**

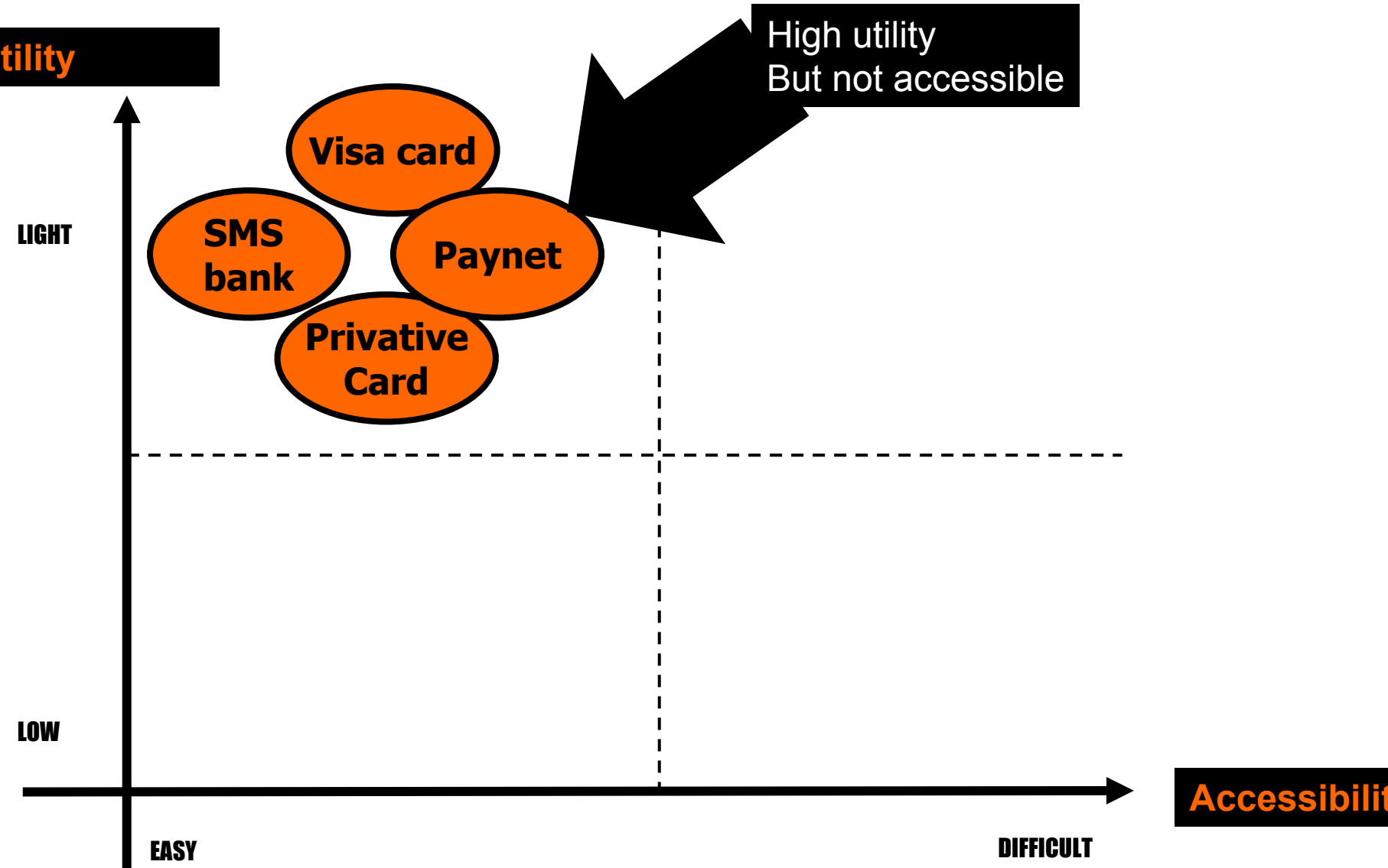
- Mobile banking
- Discretion and reliability
- Client fidelity
- Technological innovation

- **For the client**

- Time saving
- Get more out of your mobile phone experience

- Limited target
- Low rate of internet equipment
- Product security
- Low banking rate (5%)
- Niche product

POSITIONING





PRODUCTS FOR UNBANKED CLIENTS AND MICROFINANCE





VIRTUAL CURRENCY

Issue virtual currency (via a Bank)

**...parallel to airtime credits
...and allow subscribers to do
transactions using the telephone's virtual
credit**

Virtual currency



- Strengthen the role of mobile phone operator in the economy of the country
- Develop social responsibility
- Build up international traffic
- Give the non banking population access to financial services
- Promote new relays for growth
- Develop national and international financial flows



Products: one product/ 6 primary function



- **Cash in** Charge an Orange mobile phone from a distributor
- **Cash out** Cash withdrawal from a distributor
- **Money Transfert** Send virtual currency from an Orange mobile phone to another Orange phone
- **Top up** Buy airtime credit for a mobile phone with virtual currency
- **Bill payment** Use virtual currency on a mobile phone to pay bills
- **Reimbursement** Make loan payments to Orange or a third party
- **Issuance of currency: Bank** Issues funds upon purchase of virtual currency by Sonatel in the Tabgo account to resell to wholesalers.

STRENGTHS

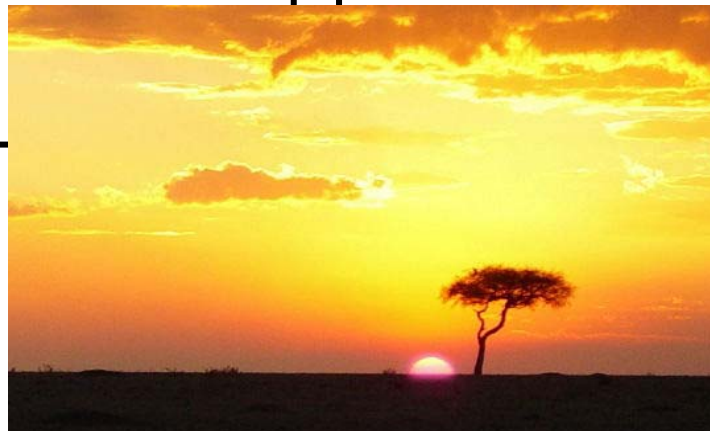


- **For the operator and the bank of the IMF**

- Mobile banking
- Discretion and reliability
- Client fidelity
- Development of the bottomline

- **For the clients**

- Secure money
- Access to payment products without a bank account
- Time saving
- Remote payment

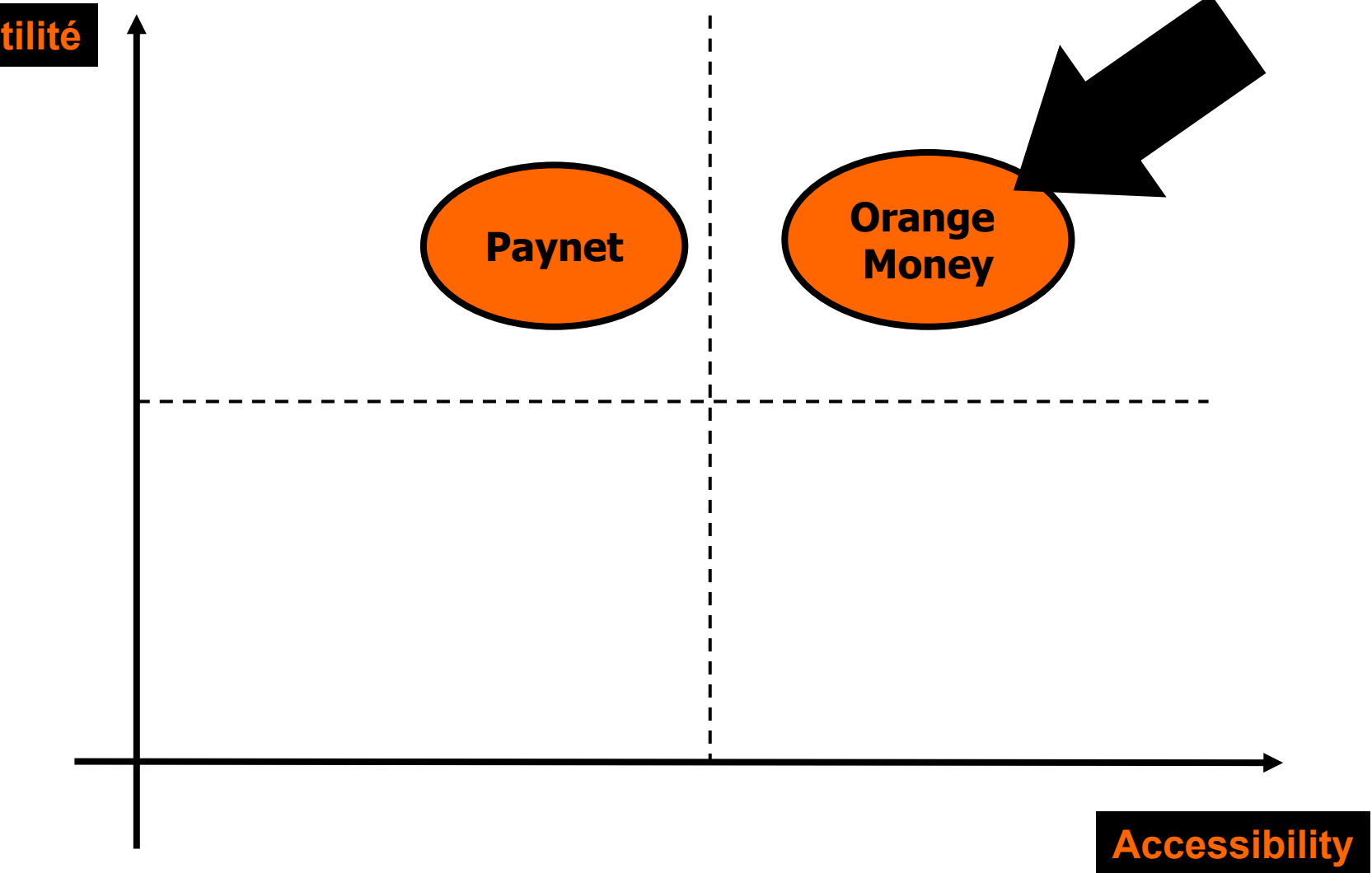


PERSPECTIVES



- Banking card operator with a right to all advantages offered by a bank card
- Payment of goods and services
- Receive salary on mobile phone
- Voice operated bank transactions (text to speech, voice recognition)

POSITIONING



In fine

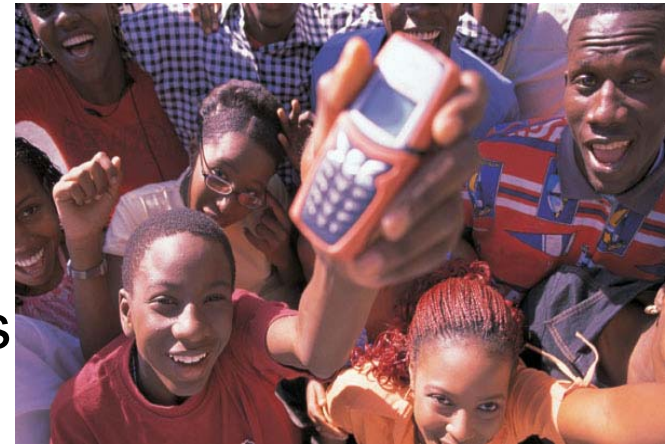


- **REAL OBSTACLES**

- Literacy
- Low savings rate
- Need for secure client transactions

- **A guaranteed future!**

- 95% of the population as a market to address
- Mobile phone penetration/ Bank penetration
- Outstanding initiative
- The future of telecommunications in the face of threats
- Goodwill of authorities



THANKS



CAPAF

CGAP

en Afrique francophone

orange™