



Expert Meeting on
**THE IMPACT OF ACCESS TO FINANCIAL SERVICES,
INCLUDING BY HIGHLIGHTING THE IMPACT ON REMITTANCES ON
DEVELOPMENT: ECONOMIC EMPOWERMENT OF WOMEN AND YOUTH**
12-14 November 2014

**SESSION 3:
INNOVATIVE BUSINESS MODELS AND FINANCIAL SERVICES**

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UNIVERSAL
POSTAL
UNION

Innovative Business Models in Financial Inclusion: The Postal Case



Introduction:

A Global Panorama



A SIZEABLE CONTRIBUTION TO FINANCIAL
INCLUSION WORLDWIDE

3 out of 4 postal
**operators offer financial
services**



THE POSTAL SECTOR: 2D LARGEST CONTRIBUTOR TO FINANCIAL INCLUSION WORLDWIDE

1.6 Billion
Accounts

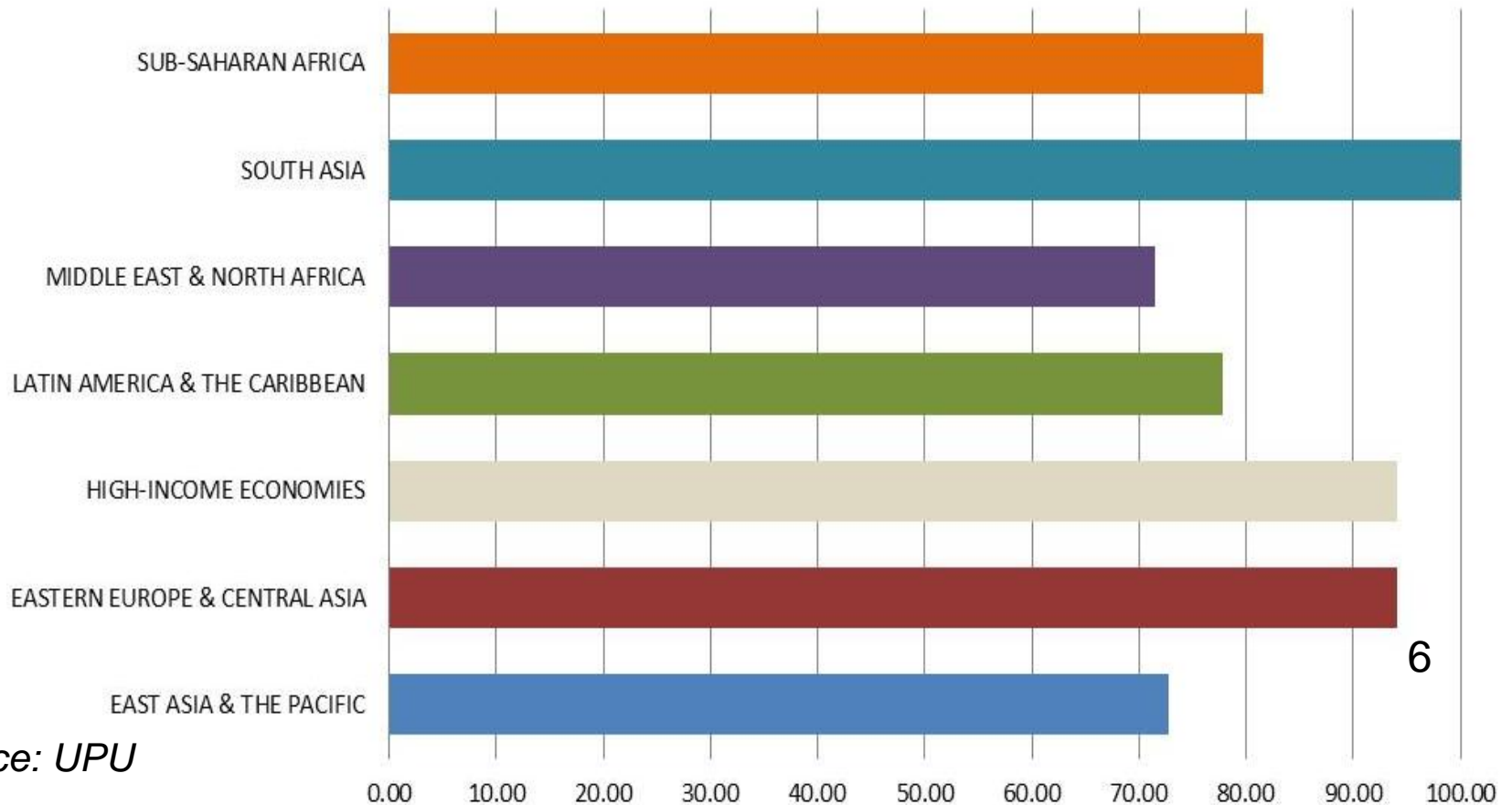


THE POSTAL SECTOR: 2D LARGEST CONTRIBUTOR TO FINANCIAL INCLUSION WORLDWIDE

1 Billion people
included through the
post



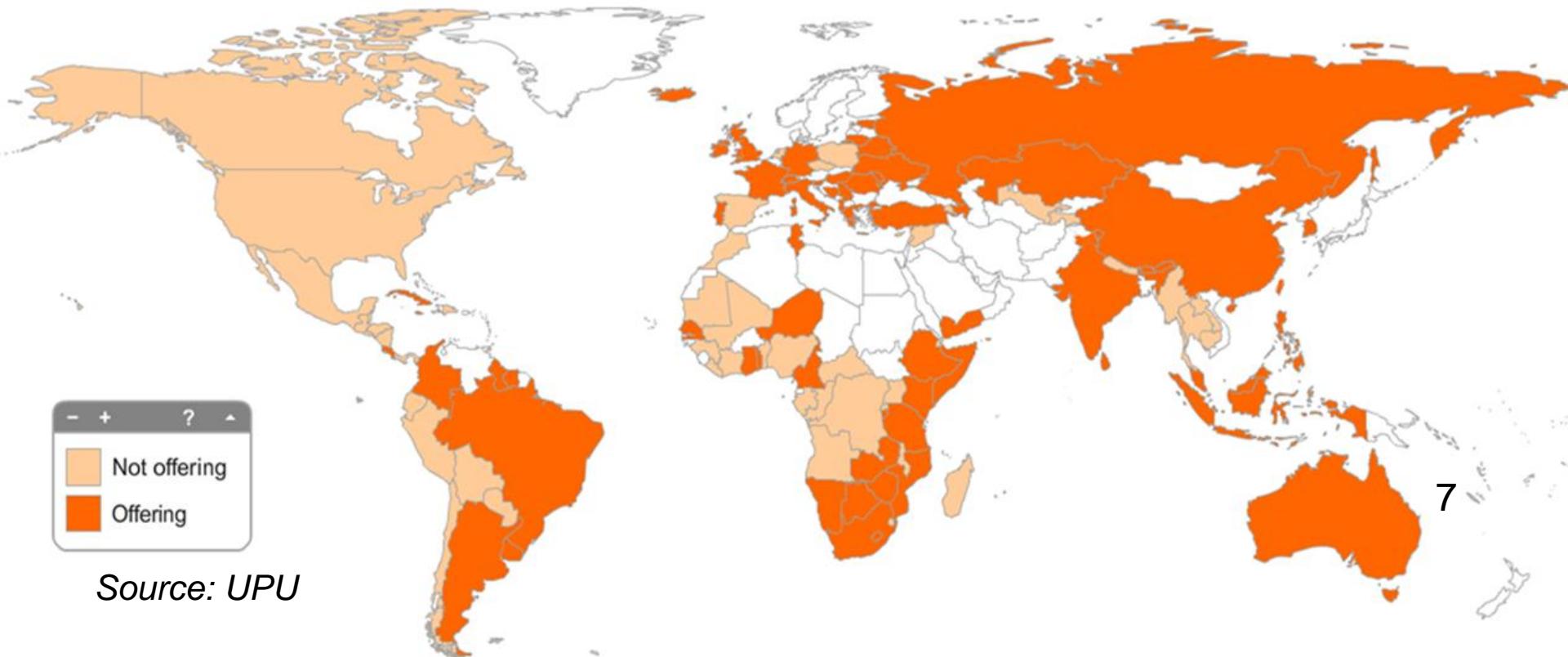
POSTAL OPERATORS OFFERING INTERNATIONAL MONEY TRANSFERS



Source: UPU



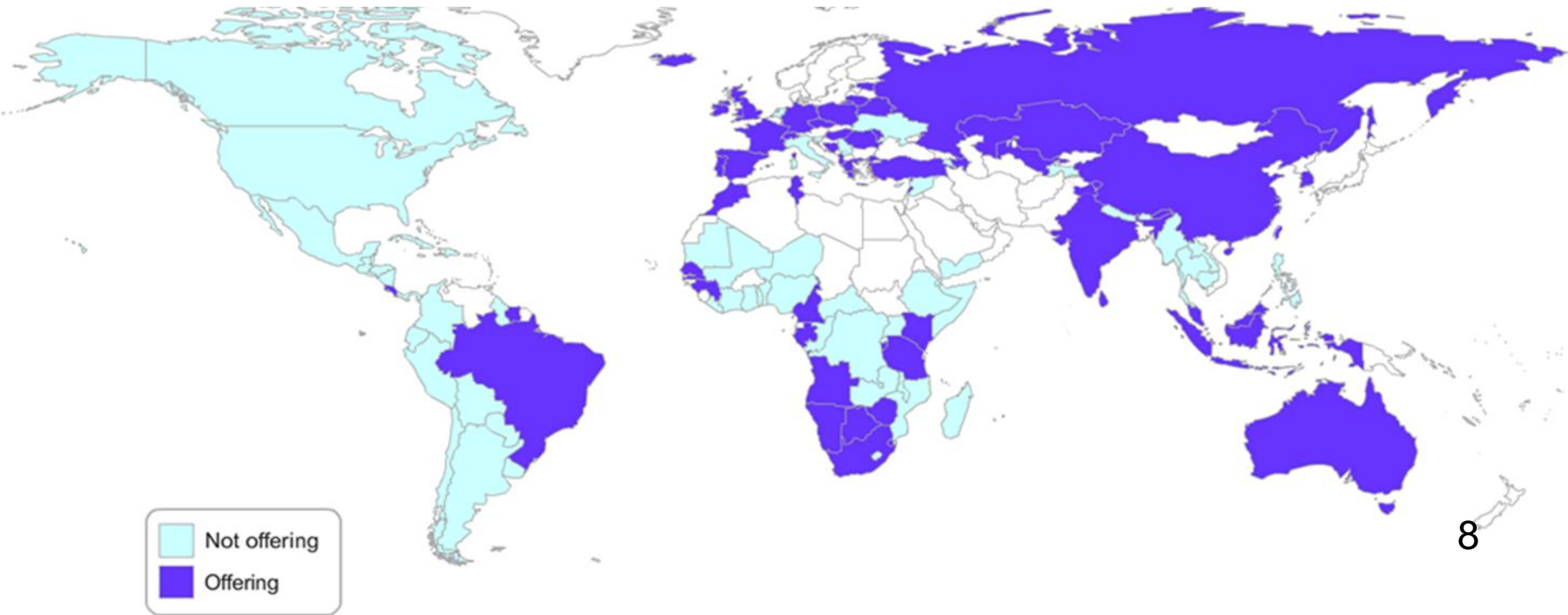
POSTAL OPERATORS OFFERING G2P PAYMENTS



Source: UPU



POSTAL OPERATORS OFFERING INSURANCE





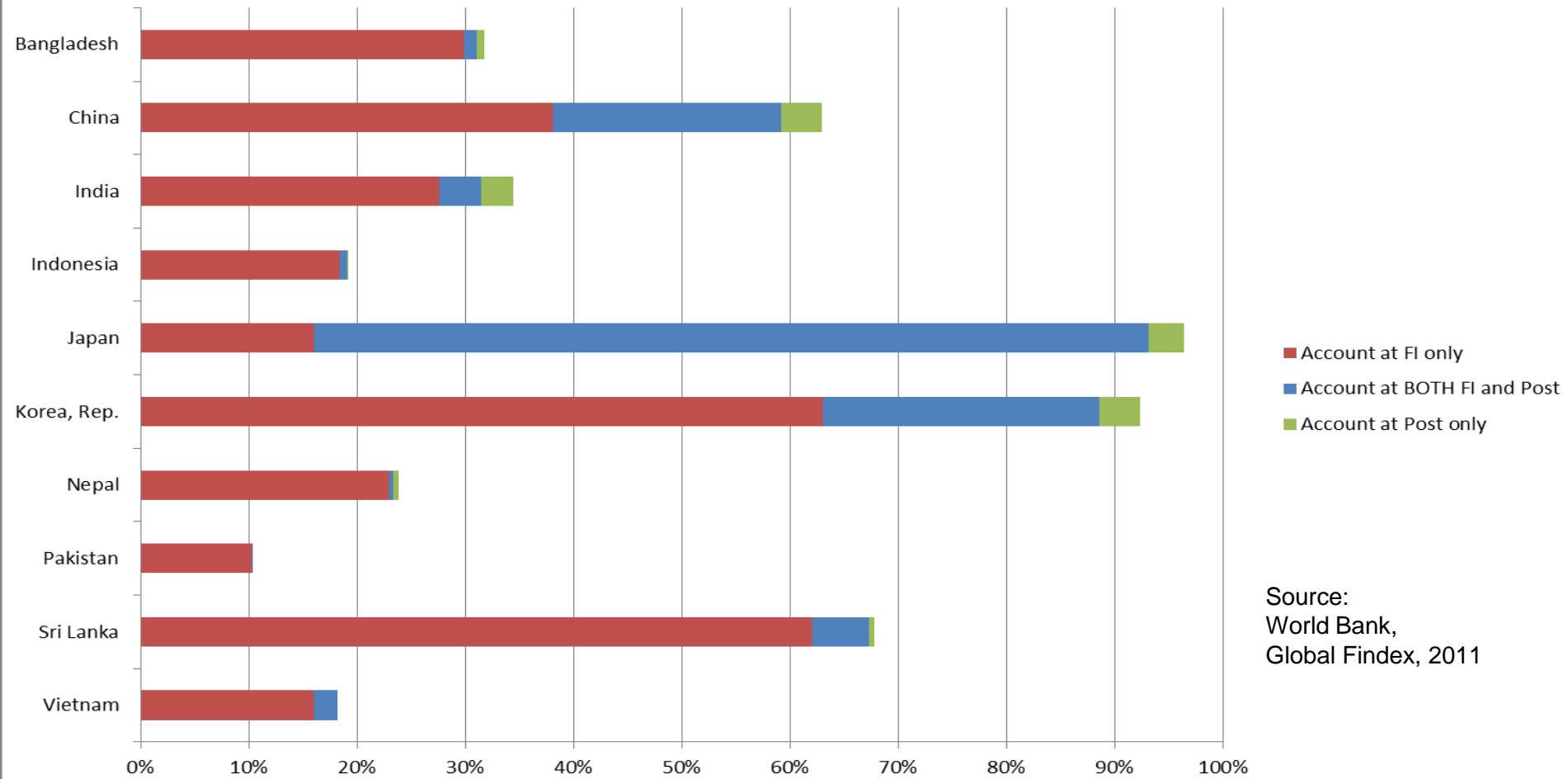
POSTAL OPERATORS OFFERING SAVINGS



Source: UPU



% of Population with Account, by Country



Source:
World Bank,
Global Findex, 2011



Innovative Business Models for Postal Financial Inclusion



What step?





Innovations in Banking Correspondents



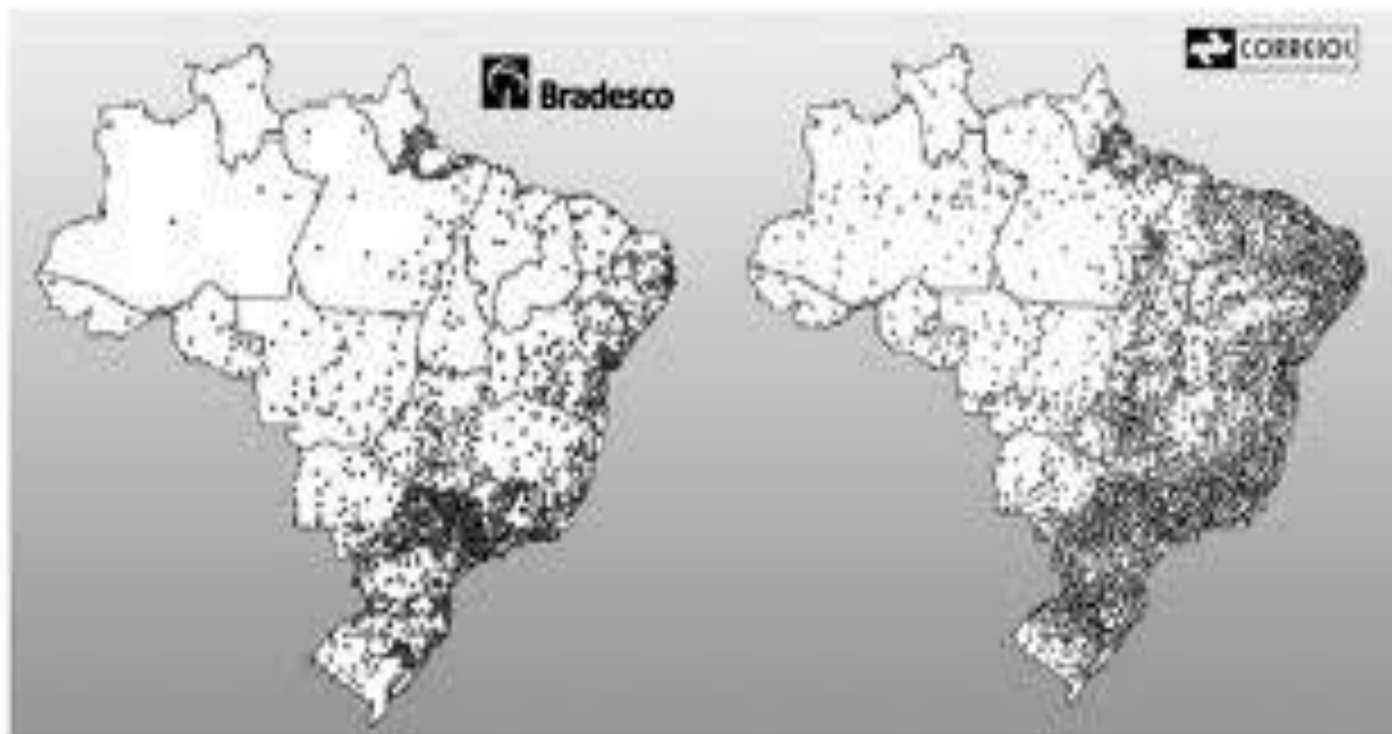
Brazil

- Bradesco 2001; Banco do Brasil 2012
- 10 million accounts opened in 10 years
- 2.5% of revenue from financial services
- Good deal for the Bank not for Post
- Issue of changing partners
- Learning curve for the Post today (JV)
- Locally: Job + SME creation



Brazil

From 2,500 to 6,000 branches





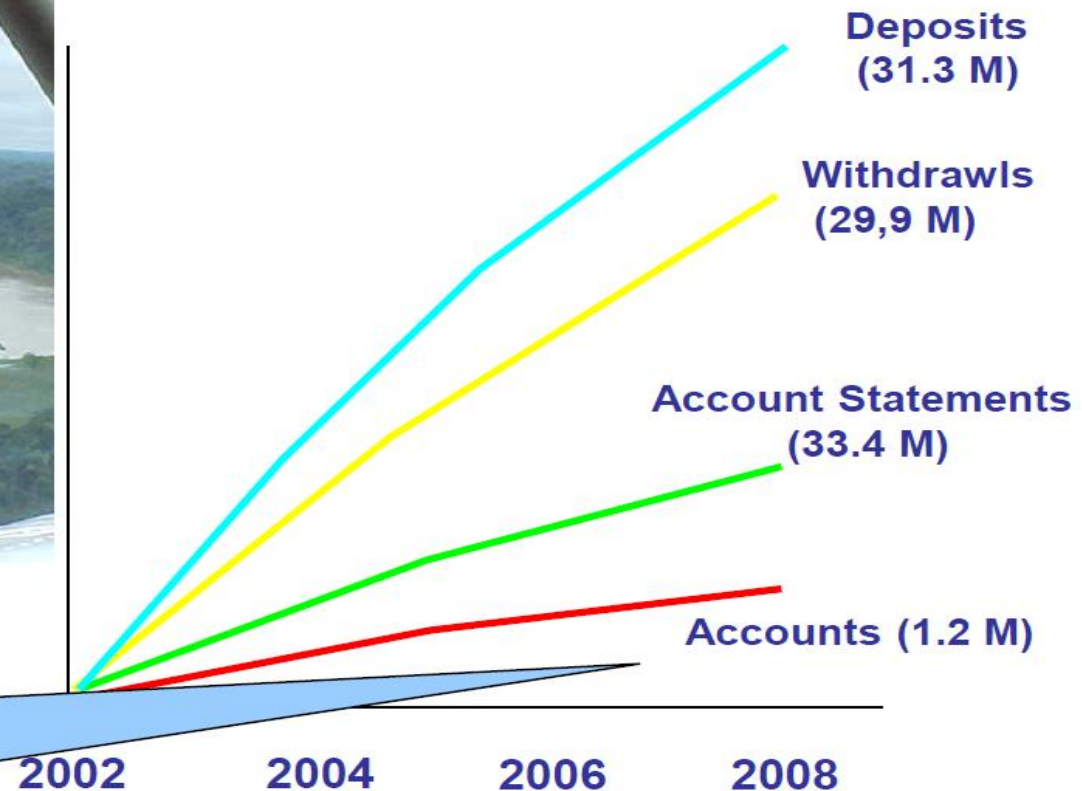
BANCO POSTAL

MAIS

CORREIOS

Some Results

Santa Rosa do Purus - AC



In 2008, 93% of all Bradesco's new accounts were opened through Banco Postal



Mobile money and the Post



Where does the Post fit in?

Strengths:

- Cash in / Cash out network (rural areas)
- Experience in managing agents
- Cash management experience
- Trust and proximity to clients
- Experience in financial transactions
- Support from the government
- Many DOs have the required licenses

Weaknesses:

- Lack of technological innovation
- Lack of customer orientation
- Weak connectivity of the postal network
- Lack of resources needed to invest in development of a mobile money service

Threats:

- A declining traditional market
- Exponential growth of mobile money operators
- Price structure (don't price poor out of the service)

Opportunities:

- Super agent
- Strategic partnerships / J.V.
- Launch own mobile money service



Innovative Business Models for Mobile Postal Financial Inclusion

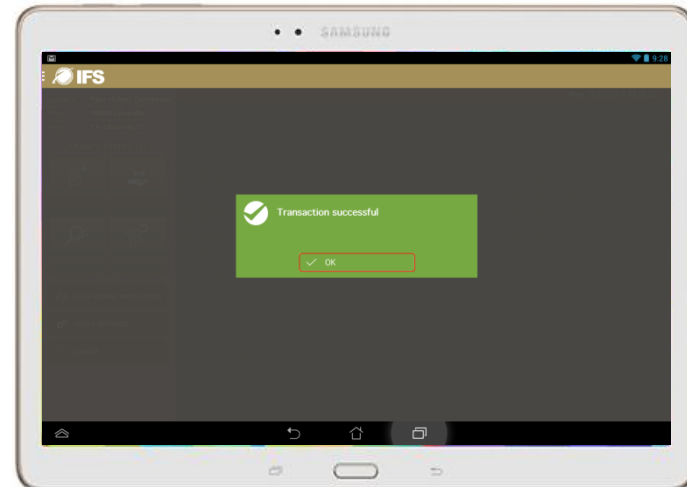
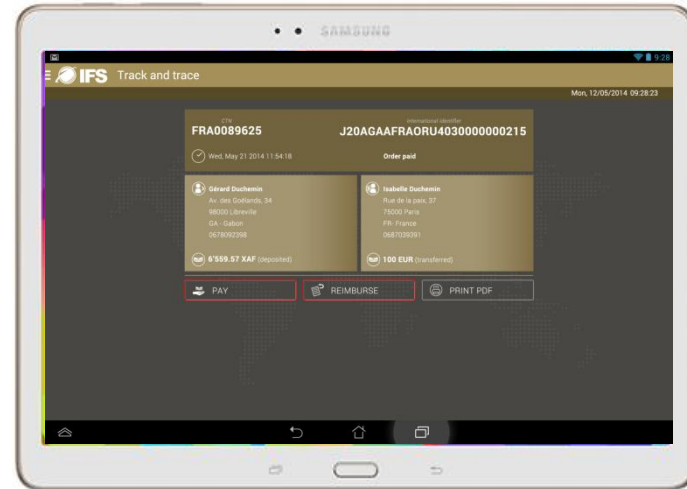
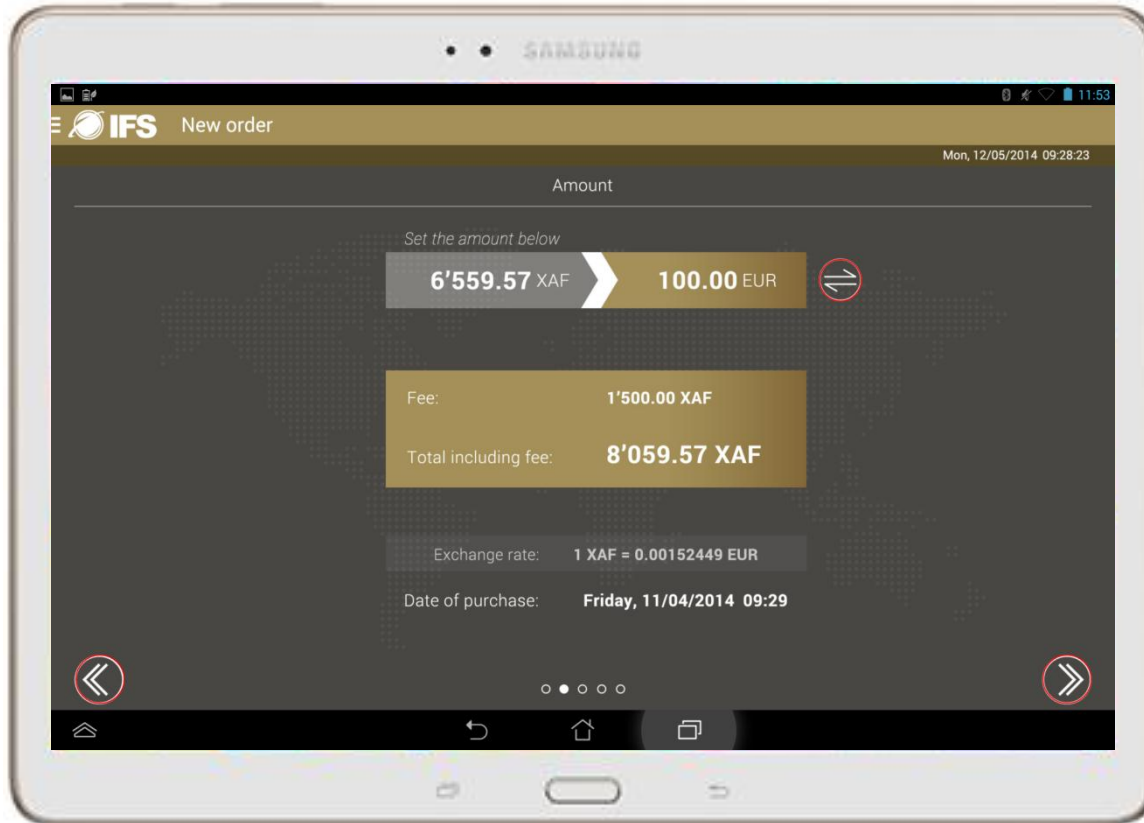


Business Model A : Connecting POs with Mobiles

- Use mobile technologies to modernize domestic money orders and connect post offices in rural areas



West Africa: IFS on mobile/tablets





Business Model B : Cash-merchant for M-money

- The Post acts as a cash-merchant for an MNO who wants to leverage the postal network
- Issue: low fees, high cost



Burundi: ECO CASH (Econet and Burundi Post)

- First mobile money operator in the country (2009)
- In 2011, 49,000 transactions performed
- Available in post offices + Ecocash agents
- High level of financial exclusion
- 140 post offices (biggest network in the country)

A FIRST FROM ECONET

Mari yamai Mutsa
yamagroceries tumira ne...

ECO CASH
Your phone. Your wallet.

SEND AND RECEIVE MONEY THE ECONET WAY



Business Model C : Partnership with one/several Mobile Network Operator

- The Post teams up with a mobile operator by bringing the network and people's trust
- Shared revenues



Tunisia: multiple partners

Service launched in partnership with Tunisiana, Tunisie Telecom, and Orange launched in 2012 for e-Dinar SMART card holders and mobile subscribers of the partners

	Tunisie Telecom	Ooridoo	Orange
Launching date	2010	2012	2014
Number of transactions	3446	314 147	290 954
Number of active users	8078	360 408	12 320
Client type	Older client	Young clients willing to use mobile financial services	Clients looking for low-cost and innovative products

Source: Tunisia Post



Business Model D : Own Platform independent of Mobile Network Operators

- The Post builds/buys its own platform that uses MNOs only as pipelines
- Independence to develop its own products

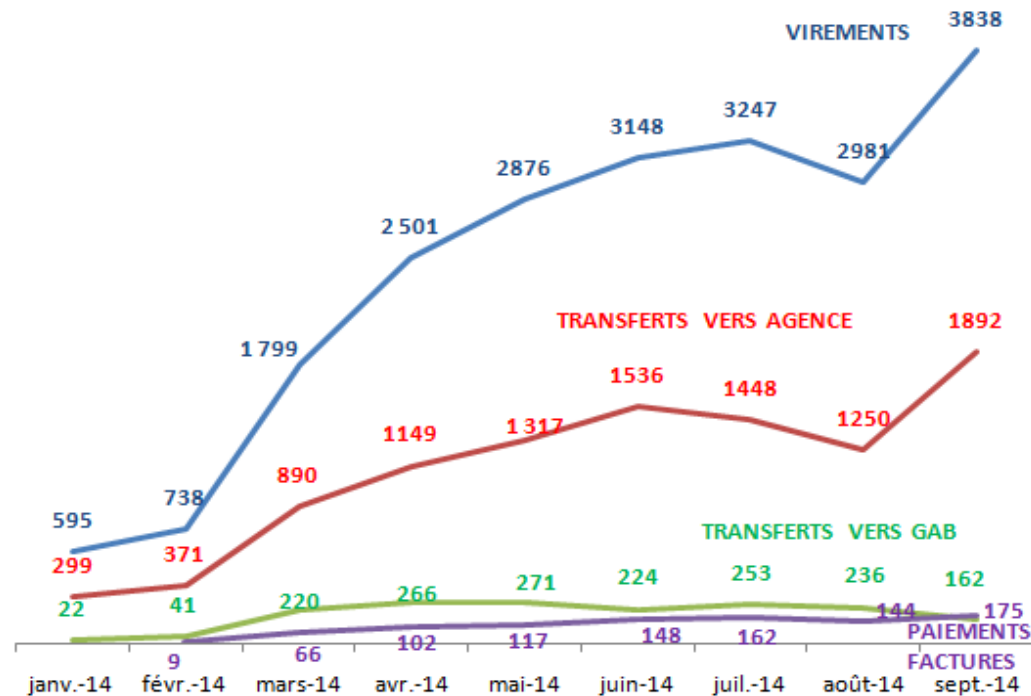


Morocco: Barid Bank Mobile

Uptake

- 63 860 subscriptions of which 41 428 active subscriptions
- Activation rate improved since 2014 from 55% in march 2014 to 70% today;
- 23 672 are new accounts of unbanked people

Evolutions du nombre d'utilisations des transactions BBM janvier-septembre 2014



Source: Al-Barid Bank



Business Model E : MVNO

- The Post develops its own MVNO by leveraging the network of the Operator
- Allows to link it to Postal financial services



Italy: Poste Mobile (MVNO)

- First DO to become an MVNO (Poste Mobile)
- In 3 years, more than 2.2 million SIM cards sold
- 75% of mobile clients also use their phone for postal financial services



Poste Mobile clients can:

- Access their BancoPosta account (postal savings)
- Pay bills
- Reload prepaid cards
- Send international remittances (with Moneygram)
- Top up phone

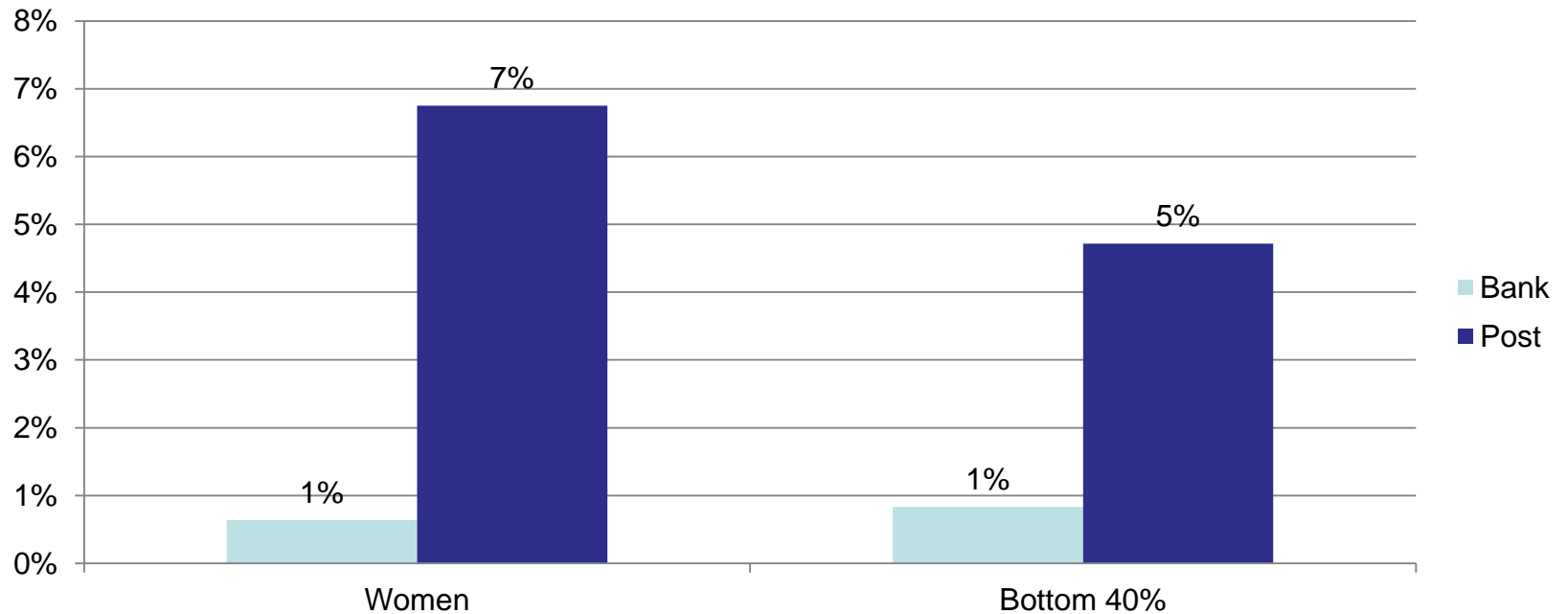


An example of results: Yemen



Services to women and the poor (Yemen)

% of Yemenis who are





Conclusions



Conclusions

- “Posts tend to be better at banking the poor than banks and other financial institutions” (World Bank-UPU)
- Postal Operators have the right tools to respond to the three main challenges of financial inclusion
 - Accessibility (largest network)
 - Affordability (cheapest provider)
 - Eligibility (open to everyone)
- There is no one-size fits all model (capacity is the key) / Step by step approach is best
- Even in the mobile environment Posts are key



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THANK YOU!