

PlaNNet Finance and Oliver Wyman publish the joint report «Beyond payments – Next generation Mobile Banking for the Masses»

PlaNNet Finance and Oliver Wyman explored the power of mobile technology in providing low income consumers with access to a wide range of financial products that go beyond simple mobile payments.

This work, sponsored by the **Bill and Melinda Gates Foundation**, aimed to look at distribution strategies and second generation mobile microfinance products **via pilots in West Africa and South-East Asia.**

The number of unbanked or underbanked mobile subscribers around the world is projected to reach ~2 billion by 2012. Today, only around 50 million subscribers use mobile money services. Most of these deployments have been focusing on 1st generation mobile money products such as remittances, airtime top-up, bill payments and loan repayment. The transformational impact of mobile money is expected to come from 2nd generation financial services such as micro-savings, micro-credit and micro-insurance, especially in countries with less than 10% retail banking penetration. Both telcos and financial institutions should benefit from the take-up of these products, as they reap expertise from complementary skills and deliver more value to customers.

However, the formula for success is not straightforward.

Drawing on their on-site experiences in pilots conducted in West Africa and in South-East Asia in the course of 2010, PlaNNet Finance and Oliver Wyman explain the **challenges in deploying mobile microfinance and offer strategic and operational solutions.**

Two distinct innovative models have been explored through the pilots:

- The distribution of microfinance through mobile money via existing microfinance banks
- The distribution of microfinance through a virtual microfinance bank, operating as a pure mobile player.

“The study outlines that the benefits of these models include a more than twofold increase in access to banking, 20-50% lower operational costs for the microfinance institution and revenue or market share benefits for the Mobile Network Operator”, say **Arnaud Ventura**, co-founder and Vice President of PlaNNet Finance Group.

The main conclusions of the report are:

→ **Mobile Microfinance can have a significant impact on increasing financial services access for unbanked subscribers** by eliminating all the disadvantages of physical bank branches. The benefits of this service are both social and economic.

→ It is a **cost-effective** way for banks and MFIs to reach the masses by **capitalizing on the widespread penetration of telecom distribution networks**. PlaNNet Finance and Oliver Wyman also see a new breed of intermediaries emerging that allow partners on both sides to interact smoothly by playing the “interconnection” role, making money on transactions rather than the spread.

Greg Rung, Partner at Oliver Wyman said “PlaNNet Finance and Oliver Wyman are convinced that, agreeing on a long-term vision, all stakeholders, from banks to distributors to regulators, need to come together to design an adequate offer and build a win-win model that can address all challenges successfully”.

About PlaNet Finance Group

Founded in 1998, PlaNet Finance is one of the world's leading microfinance groups which aim at fighting poverty through the development of inclusive finance. The group aims to help those excluded from mainstream financial services to save, borrow and gain access to insurance coverage, thus enabling them to smooth their income, create and develop income-generating activities and seek protection against everyday risks. PlaNet Finance Group is active in 80 countries, working continuously to promote the growth and development of microfinance.

www.planetfinancegroup.org

About Oliver Wyman

With offices in 50+ cities across 25 countries, Oliver Wyman is an international management consulting firm that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. The firm's 3,000 professionals help clients optimize their businesses, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is part of Marsh & McLennan Companies [NYSE: MMC].

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