

OK Remit – A Shared Platform for Remittances

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REMIT
money remittance

Opportunity Kauswagan Remit, Inc.

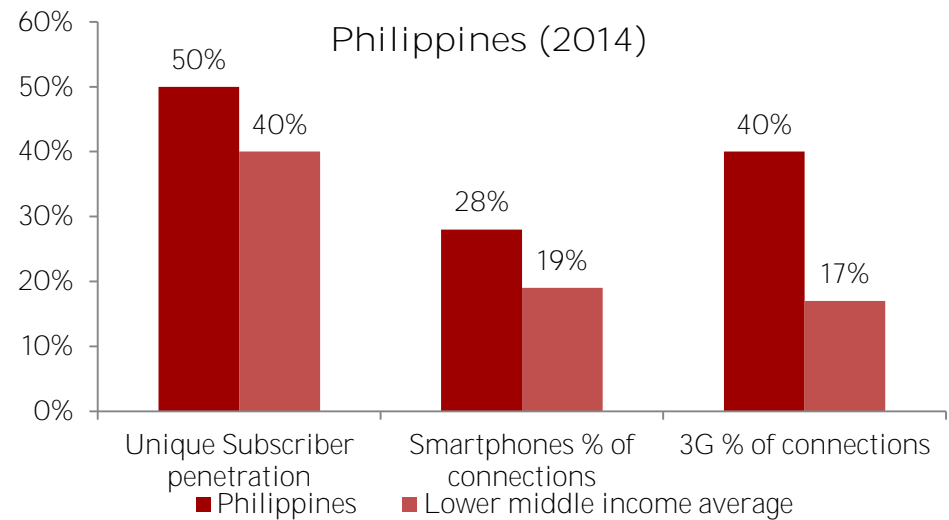
Digital Financial Services is central to the cause of financial inclusion

E-Money Highlights

- Number of e-money issuers (EMIs) has grown from 29 in 2013 to 33 in 2015
- Number of e-money transactions (inflow and outflow) grew from 138 million in 2010 to 273 million by end of 2014
- Total active e-money accounts (mobile wallet + cash cards) increased from 24 million in 2013 to 28.7 million by end of 2014
 - mobile wallet: 6.9 million
 - cash cards: 21.8 million

There is significant interest of both bank and non-bank players in e-money, the success will be determined by creating enough use-cases for target customers to pave way for a holistic financial inclusion

High mobile penetration, increasing smartphone adoption and high speed internet subscription provide the fertile ground for growth of e-money



While the enabling technologies exist, what is likely to drive adoption is strategic partnerships that serve immediate financial needs of well-defined customer segments

Remittance provides an opportunity to move customer to the digital

Financial Inclusion Pain Points

68.7% of all Filipino adults do not have an account at a formal financial institution

68% of Filipino adults believe that access to financial products and services is important

Currently, it takes an average of **21 minutes** to reach the nearest access points and costs **PhP 43**

MFIs can be the ideal transaction points

Customers prefer to transact with community-based institutions

Specifically, customers from SEC 'D and E' (*typical MFI clients*) tend to transact with community-based access points

MFIs are located closer to customers and many MFI customers are also remittance users

Electronic Remittance is the Gateway for Financial Inclusion

Remittance Market Potential

International: Majority of the USD 25 Billion (2015) worth of international remittance is initiated electronically

Domestic: Volume of domestic remittance is much bigger than international remittance but only 3% is sent electronically.

Once customers start using technology for remittance, the next step will be to hand hold them to make other transactions digitally

To reiterate...significant synergies can be unlocked through partnership...

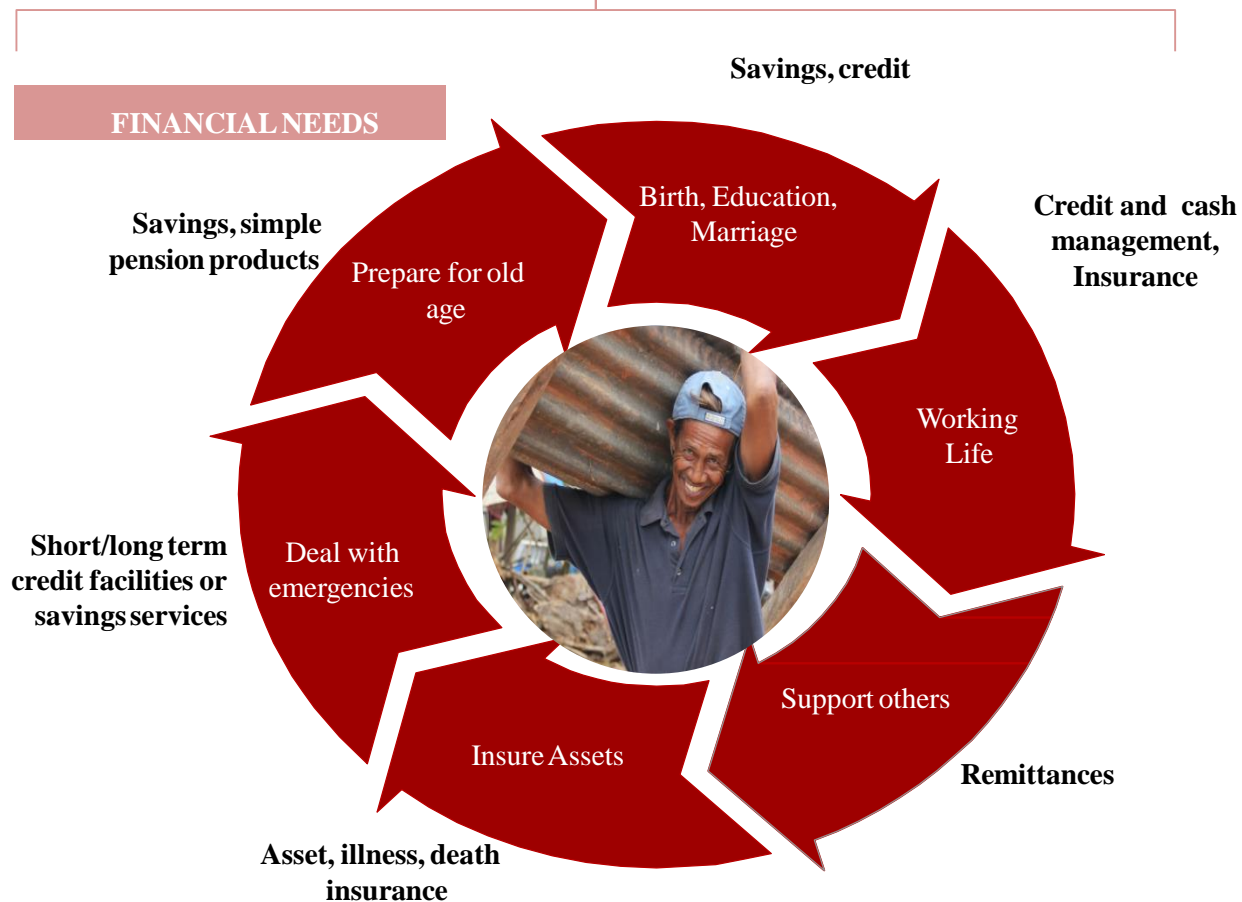
MFI

- Access to a loyal customer base
- Deep understanding of customers
- Possess distribution infrastructure with a human interface to support digital finance
- Latent need to diversify products and services

DFS Provider

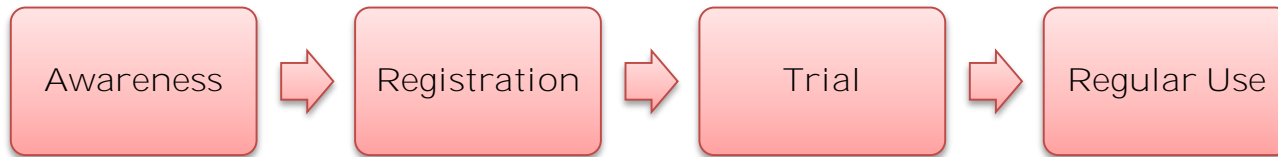
- Access to superior technology that can enhance access at lower cost
- Customers generally require handholding initially which DFS providers cannot provide due to lean structures
- Provide technology package to boost customer analytics

MFIs and DFS providers can collaborate to offer products and services to meet the diverse needs of target customer segments



The MFIs are better positioned to support customer tread the journey to regular use of DFS

The transition from traditional payments systems to digital payments is not automatic. The customer undergoes a journey before s/he starts using the service regularly. The journey is full of decision points wherein the customers decide whether to adopt and continue using the service or not. MFIs through their regular contact with customers can handhold customers tread this journey



- Value proposition
- Range of services
- Safety and reliability
- Procedures

- Proximity of outlet
- Experience at the outlet
- Hassles

- Service quality
- Success of carrying out transactions
- Realisation of perceived value proposition

- Suitability and diverse range of services
- Superior customer service

Factors that influence adoption of DFS:

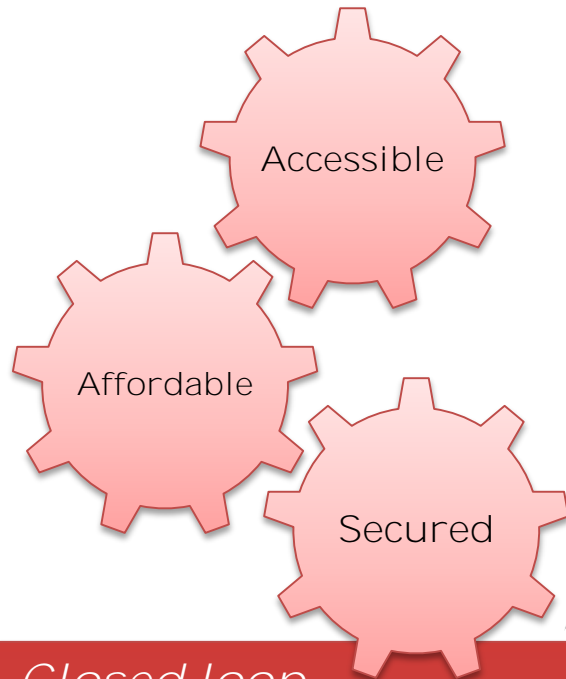
Perception about the service

- Perceived risk
- Relative advantage

User profile

- Education
- Age

Our Business Model



Closed loop remittance product

Value add services
Bills Payment
Airtime Top-up
Ticketing services



OK Remit



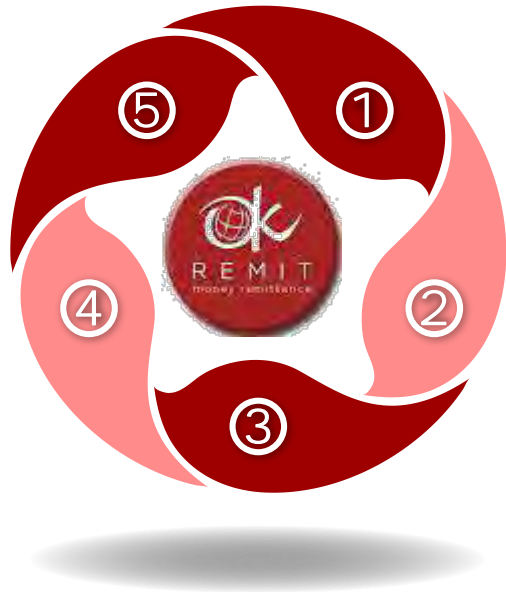
Partners



Customers

- Piggy-back on the physical and social infrastructure of MFIs
- Leverage customer relationship to educate about digital financial services
- Engage with community to create opinion leaders who can support community members tread the customer journey
- Support MFIs to diversify their product base with minimal cost

OK Remit, being a shared remittance platform provider, offers the following



1 **OUTLET SETUP**

2 **PRODUCT DEVELOPMENT & TRAINING**

3 **SYSTEM ADMINISTRATION**

4 **MARKETING AND COMMUNICATION**

5 **OPERATION & DISTRIBUTION**