

# Introduction to CellCard



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- CellCard is a multi channel banking platform that offers a full transaction banking account accessible via internet, kiosk, mobile phone, POS device, and a Visa/MasterCard endorsed or white label debit card. The company is currently expanding its footprint into sub-Saharan Africa. CellCard intends to target 200+ million people in Africa who are unbanked or under-banked or those who have difficulty accessing formal financial services.
- CellCard sees itself as a “virtual bank” and has no branches of its own nor does it intend building a bank network. CellCardholders can use in addition to other channels, their mobile phone to make payments, transfer money, purchase prepaid electricity and purchase airtime. CellCard also gives customers a branded debit card with which they can make purchases and get cash back at retail outlets and withdraw money at any ATM in the banking ecosystem. Customers can also make cash deposits at a designated partner bank, Community Banker or Community Merchant.
- CellCard operates through a sponsored BIN arrangement with a banking partner. Therefore there is no need for a formal banking licence. CellCard also relies heavily on an agent network to offer banking services.



## CellCard Business Model

- CellCard is Bank-centric. This allows it to mobilise and expand retail distribution channels for traditional banks. It also works within the ambit of the appropriate Banking regulations in each jurisdiction.
- Therefore CellCard becomes an integral part of a bank looking to expand its distribution channels, develop and offer financial services and products to the marginally serviced category of the population.
- CellCard empowers the partner bank to acquire new customers from the unbanked / under banked market with minimal dependency on bricks and mortar. It therefore allows a cheaper more sustainable cost of deployment of banking and payment services to the market.
- CellCard engages with a licenced financial institution where it enters into a sponsored BIN, and through this agreement develops a virtual bank. CellCard focusses primarily on payments banking.
- In doing so, CellCard embraces the principle of Inclusive Banking achieving mass reach through a well structured networks of relationships with community partners.



## Evolution of Transactional Banking

- The traditional banking / branch model of delivery of banking products is fast changing.
- Convergence of internet and financial services. Market has matured in the developed world. Little scope for application in Africa because of low internet penetration levels.
- Convergence of Mobile and financial services. The ability to deploy financial services through mobile telephony will have the greatest impact on banking today.
- Access to information. A far more demanding client base.
- Banks have mobilised cross selling far more effectively and channels have become far more defined and specific.
- Banks better positioned to assess customer behaviour, experience, and reflexes to new innovation. Much easier to tailor products.
- Massive changes in customer payments and account management
- Segregation of clients groups. Financial institutions have a better sense of client demand and responses to innovation in the market



## Evolution of Transactional Banking

- There has been a point of sale (r)evolution through the following
  - The deployment of technology
  - Identification of key delivery channels
  - Managing customer relationships
  - The redefinition of the use of the traditional branch
- Competition in the banking sector is being primarily driven by evolving customer expectations. Traditional mainstream banks have been slow to respond in changes to this behaviour.
- Times when banks are the only players offering financial services are over. The market place has been reconfigured to realise the emergence of a different player.



## Evolution of Transactional Banking

- Today there are four basic demands that customer expects of the financial service provider
  - **Trust** - Coming from a background of bank failure, loss of savings, perceived bad advice, high service charges, general resentment at large banks.
  - **Convenience** – There is a demand for convenient, efficient, quick delivery 24/7 channels to deliver service. Banks need to become compatible to new life patterns.
  - **Empowerment** – Consumers want autonomy. (In as much as one may check in online and choose a seat), similarly customers are seeking autonomy for their user experience in the banking sector.
  - **Emotion** – Today's customer expect emotional satisfaction from banking. Community based applications, The user experience. The sense of having downloaded or refilled airtime without having incurred additional expense etc. creates a sense of satisfaction.
- *The bank of the future may ultimately be a self service kiosk.*



## CellCard considerations that will change transactional banking in Africa

- Mobile phone density
  - 1996 – 1 million
  - 2013 – 270 million handsets.
- Africa still has the lowest level of mobile phone penetration globally
- Role of the banks – Banks still have limited infrastructure
- Mass Reach - channels to be deployed to achieve mass mobilization
- Capital investment per country
- Role of the network operators
- Strategic channels for product deployment
- Affordability
- Density of banking infrastructure
- Ability to transact
- Regulatory issues



## CellCard considerations that will change transactional banking in Africa

- Product mix – Product mix – Banking and non banking services
  - Banking - Balance enquiry, Money transfer, Account payment, Savings, SMS notification
  - Non Banking – Airtime downloads, prepaid electricity, Lottery, etc.
  - Value Add – Data,
- Strategic relationships in achieving mass reach and mass mobilisation
- Training for Agent infrastructure
- Prospects of the market
- Economic activities
- Size and density of different communities
- The KYC process
- Perceptions of banking “in country”
- Operational Efficiency
- Critical Mass



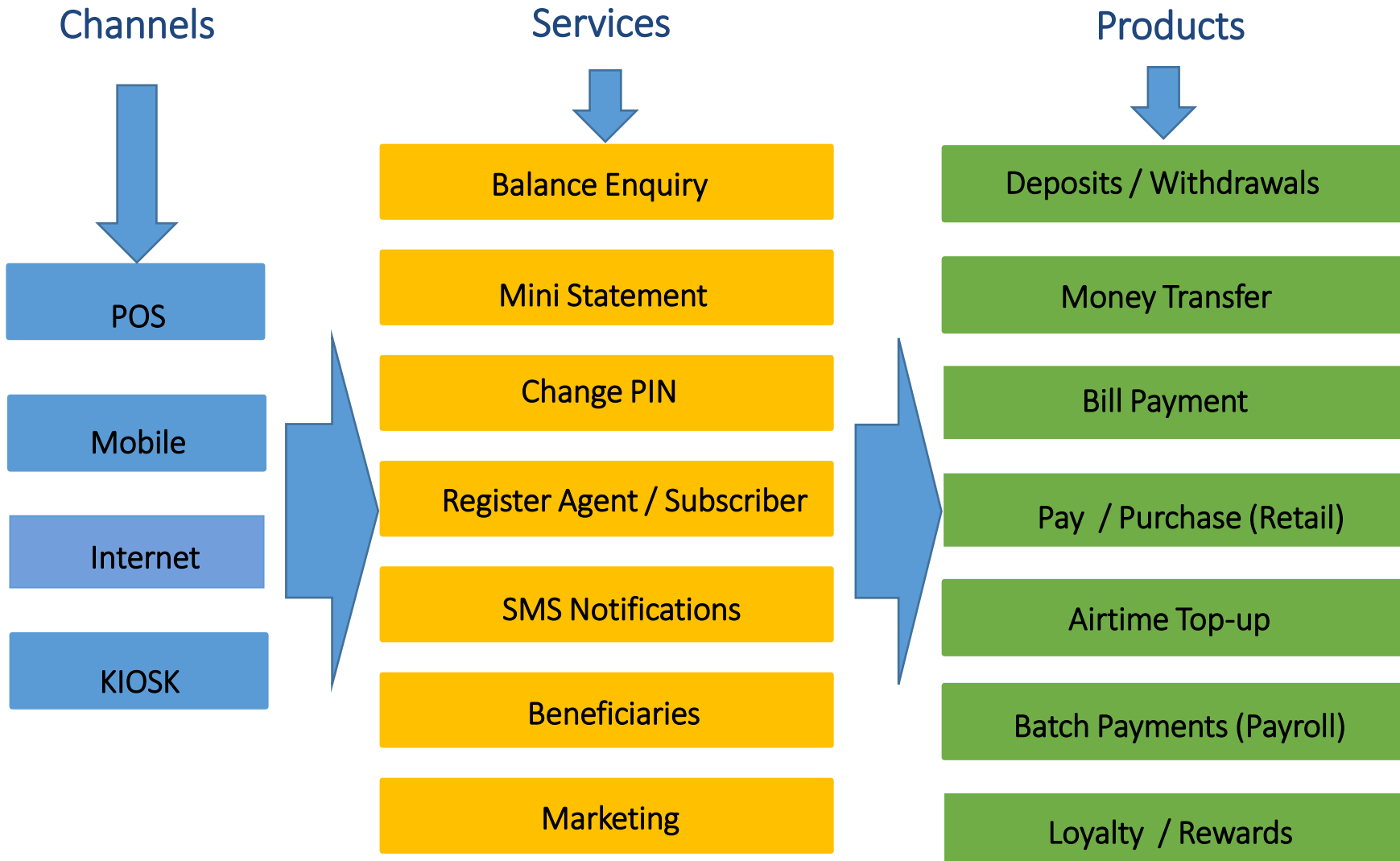


## Rewards for potential stakeholders

Governments	Facilitate access to financial services for poorer/unbanked citizens
Banks	Reach previously untapped markets and customers
Payees	Receive payments (for loans etc) without costly collection procedures;
Mobile Operators	Gain new customers and reduce customer turnover; earn fees for services provided
Payment Process Agent	Earn fees on transactions processed
Retail Agent	Increase customer traffic in store; increase revenue
Customer	Gain access to financial services that are secure and less costly and accessible



# CellCard wallet Accounts Module





## CellCard Services



### TRANSACTIONS

- Funds Transfer  
“GiveCash”  
and “GetCash”
- Person to person (P2P) payments
- Person to business (P2B) payments
- Business to person (B2P) payments
- Airtime Purchase
- Utility bills payment

### ENQUIRY

- Exchange rates Enquiries
- Account Balance Enquiries
- Full statement requests
- Mini Statement Enquiry
- Community Merchant lists

### INFORMATION

- Customer Notifications or Alerts
- Customer DR/CR advices
- Loan Repayment Notifications
- Loan Approval Notifications
- Bulk SMS to Customers

### INSTRUCTIONS

- Stop card instructions



## Competency Statement

### Zimbabwe:

- Sponsored Bank: Afrasia Kingdom
- 380 000 cardholders – 177 000 active cards as primary accounts
- Average Deposit Base US\$18 million per month
- US\$2 million annual revenue\*
- Operational since 2010
- Presently working on another bank integration

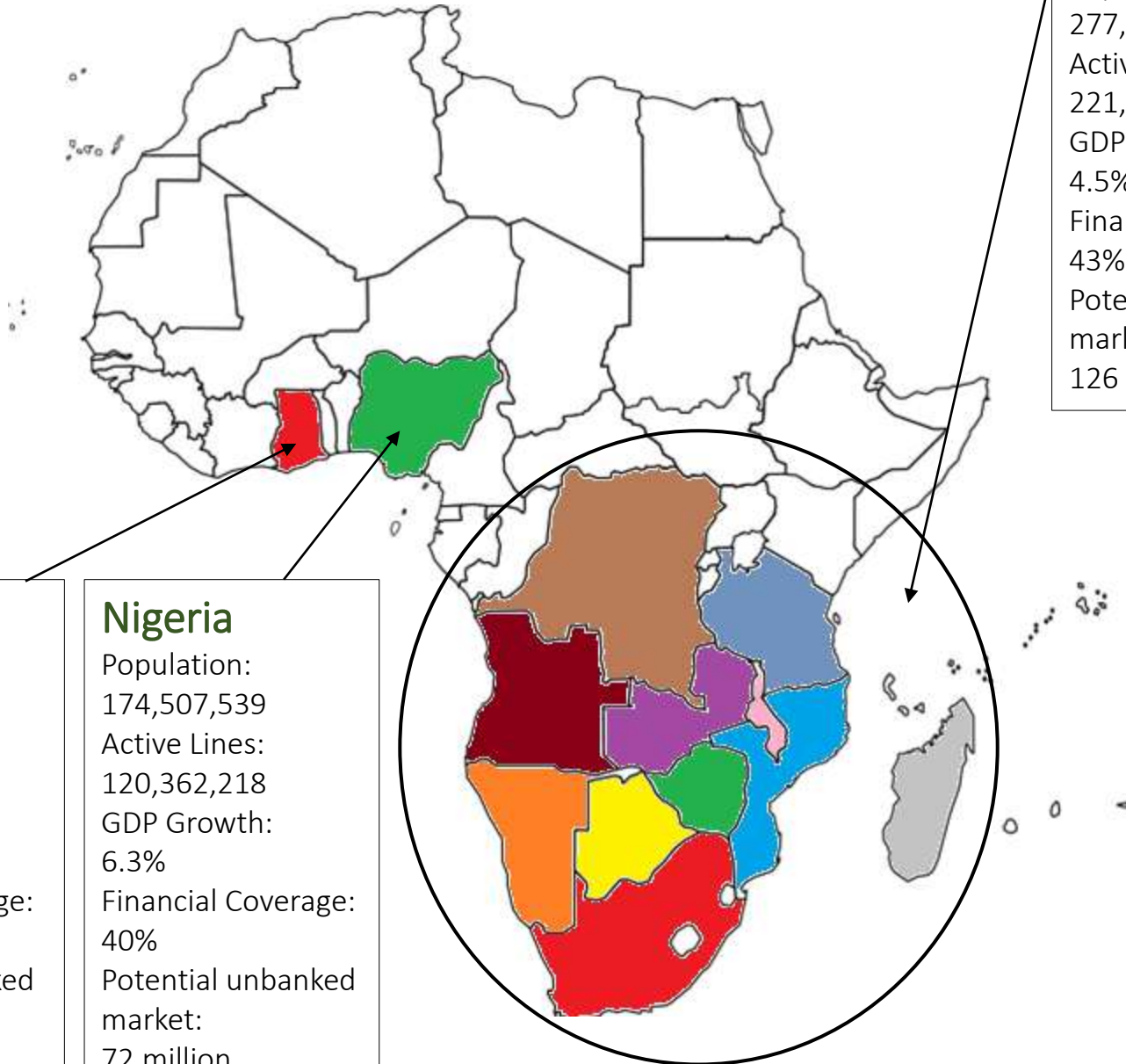
### Namibia:

- Launched Nam-mic CellCard with NFSH and Bank Windhoek
- Targeting 200,000 unionized workers through a community membership card supported by biometric CellCard
- Sponsor Bank: Bank Windhoek
- 25 000 cards – All Active
- Average Deposit Base N\$ 5 million
- Operational since 2011/12
- Reserve Bank issued a payments licence and unique BIN to CellCard.



## Business opportunity in SADC

- 277 million citizens
- GDP of US\$ 700 billion .
- Average of 40% financial services penetration in combined markets
- Potential market of 150 million people
- Average projected GDP growth rates of 4.5% for the next decade
- Growth of mobile phone market averages 10% per annum
- Governments actively promoting financial inclusionary policies
- SADC cross border payment system currently being implemented, so cross border payments and remittances could be a reality in the near future.
- Access to all central banks and wide choice of banking partners
- No real virtual banking platform in existence. Mobile banking products are an extension of traditional banking services in established market segment.
- Cost of bank branch expansion is costly, so therefore CellCard offers a cheap scalable solution as has been demonstrated in Namibia and Zimbabwe.



**Ghana**  
Population:  
25,199,609  
Active Lines:  
23,336,000  
GDP Growth:  
7%  
Financial Coverage:  
40%  
Potential unbanked  
market:  
14 million

**Nigeria**  
Population:  
174,507,539  
Active Lines:  
120,362,218  
GDP Growth:  
6.3%  
Financial Coverage:  
40%  
Potential unbanked  
market:  
72 million

**SADC**  
Population:  
277,000,000  
Active Lines:  
221,600,000  
GDP Growth:  
4.5%  
Financial Coverage:  
43%  
Potential unbanked  
market:  
126 million



## CellCard Business Relationships

- Angola
- Mozambique
- Lesotho
- Botswana
- Zambia
- Zimbabwe
- South Africa\*
- Democratic Republic of Congo
- Tanzania
- Remittance Business - Western Union



## CellCard Business Strategy

- Phase 1: South Africa, Botswana, and Zambia
- Phase 2: Tanzania, DRC, and
- Phase 3: West Africa
- Continue cooperation and equity discussions
- Expansion of infrastructure and resources in Southern and Central Africa.
- Motivate and Create SADC framework for regional network of retail banks applying CellCard as virtual Bank platform.





## Proposed Business Opportunity

- Replicate Zimbabwean and Namibian offerings in South Africa and SADC and West Africa as a second and third phase.
- Create a Voucher system for remittances between Post Bank South and Postbank Zimbabwe. In 2011, over US\$ 1 billion was remitted informally based on Finmark and South Africa Reserve Bank statistics.
- CellCard already has access to a banking partner in South Africa with a significant national cash deposit and withdrawal capability
- Changing the face of transactional banking in South Africa by offering the cheapest virtual banking platform in South Africa
- Mobilize and inject capital to build distribution capability in South Africa
- Develop a South Africa Strategy
- Develop a SADC Strategy
- Develop a West African Strategy
- A reliable Equity partner

nam-mic CellCard  
money in your hand - wherever you are



Give/Get Cash!

- Lowest Banking RATES in Namibia
- Only 3 minutes to open a new account
- Gives you money in your hand where ever you go

Lowest bank Charges | Widest Branch network | Pay bills and receive money without going to the bank | Send or receive money with my mobile phone to anywhere.

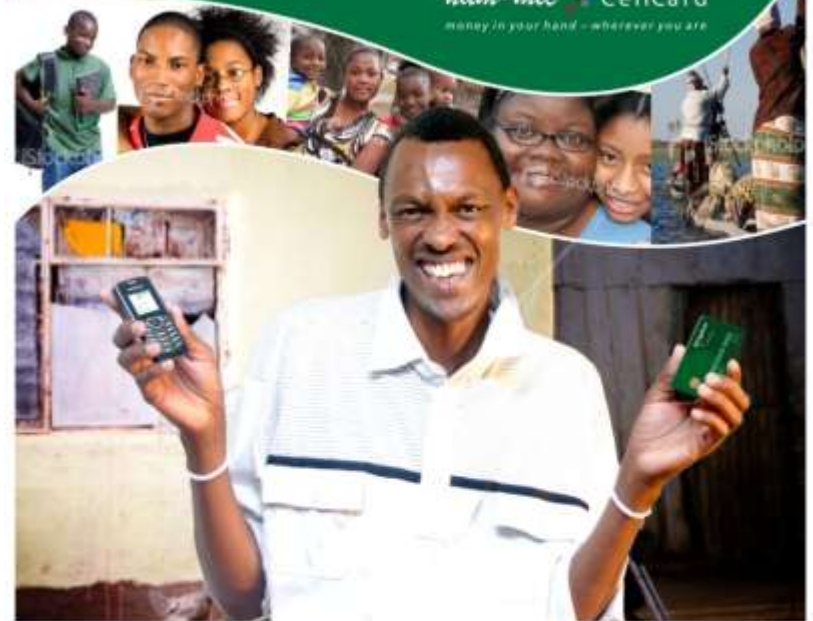
**Money in your hand – anytime, anywhere!**

Apply for you Nam-mic CellCard **TODAY!**

\*Terms and conditions apply.



nam-mic CellCard  
money in your hand - wherever you are



Give/Get Cash!

money in your hand - wherever you are

**No bank, just your cell phone or Nam-mic CellCard is all you need!**

**It's as easy as that!**

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My money is  
**always**  
in my hand!



I can now send money home to my kids at **ANY** time, even when I'm at work!

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**LOWEST**  
bank  
Charges

**WIDEST**  
Branch  
network

**Send & receive money**  
with your  
cell phone

**PAY BILLS**  
with your cell  
phone or card

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My money is  
**always**  
in my hand!

With my new Nam-mic CellCard account I can now send money home to my family at ANY time, even when I'm at work!

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I'm a student and...

**My Phone + card = my bank!**

My parents can send me money from anywhere and I pay the lowest banking fees in Namibia!

Leaving me with a little extra for the weekend!

Apply for you Nam-mic CellCard TODAY!

\* Terms and conditions apply.



nam-mic CellCard  
money in your hand - wherever you are



*in my hand!*  
**My Phone + card = my bank**

Apply for you Nam-mic CellCard TODAY!

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Open your Nam-mic CellCard account in only

**3 minutes!**

- 1** Visit your nearest Bank Windhoek branch or Community Partner store and complete the application form. Remember to bring a certified copy of your ID, and the cash you want to deposit.
- 2** You will then receive your Nam-mic CellCard and cell phone sim activation pack.
- 3** Set your new pin on the card.
- 4** Bank your money at the Community Merchant or Bank teller to load your card - receive a confirmation slip and a SMS alert...
- 5** You are now ready to **Swipe, text or click!**



**Give/get Cash!**

money in your hand – wherever you are

Lowest bank Charges | Widest Branch network | Pay bills and receive money without going to the bank | Send or receive money with my mobile phone to anywhere

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**LOWEST bank Charges**

**WIDEST Branch network**

**Send & receive money with your mobile phone**

**PAY BILLS with your mobile phone or card**

**GiveGet Cash!**

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Charges

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**PAY**  
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THANK YOU

Reginald Max

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