easypaisa

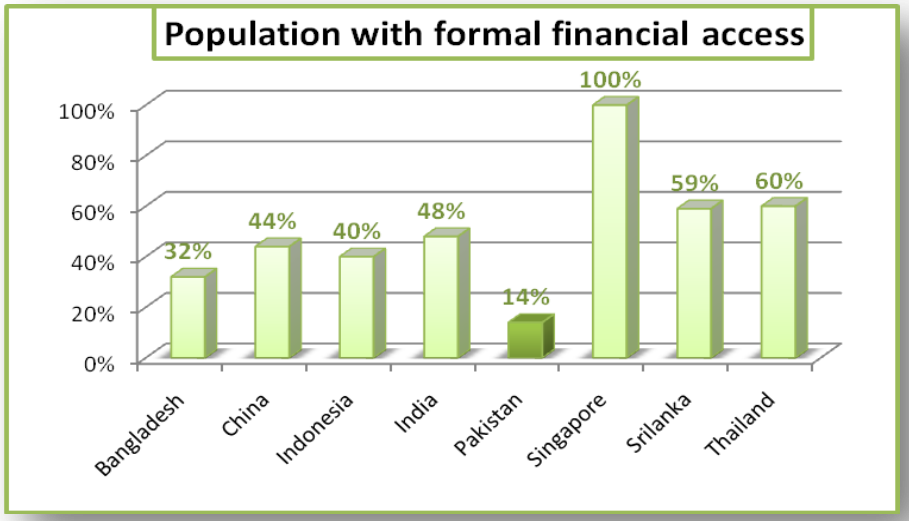
بدلے زندگی آسانی سے

Solar Lending Project

June 2014



Easypaisa – Aiming to Increase Financial Inclusion

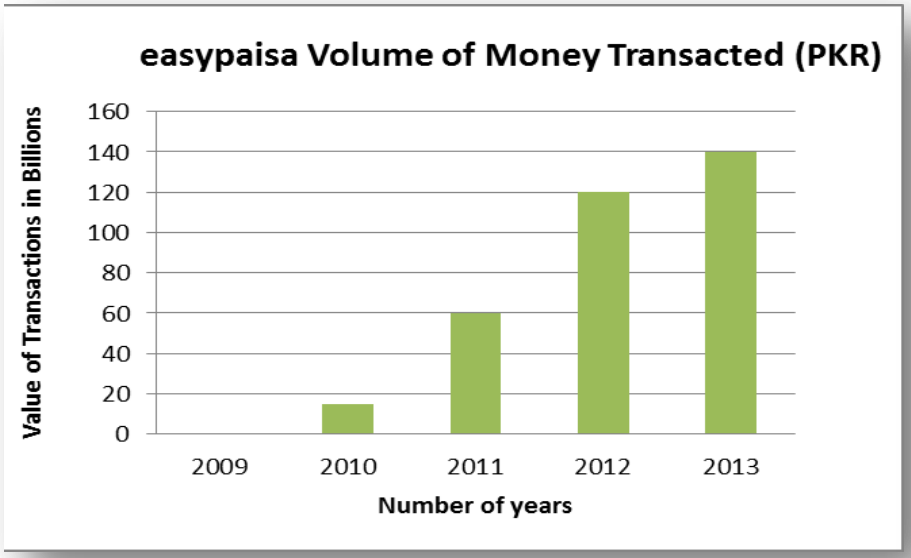


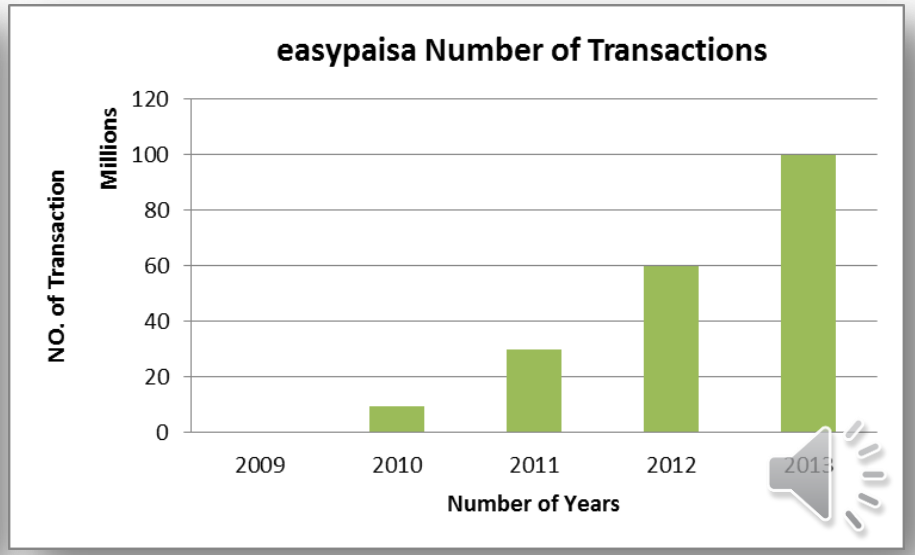
Only 18 million People with Bank Accounts in Pakistan

BUT

137 million SIM users in Pakistan!

Easypaisa - Doubling Transactions each Year!





Easypaisa – A Revolution in Pakistan!

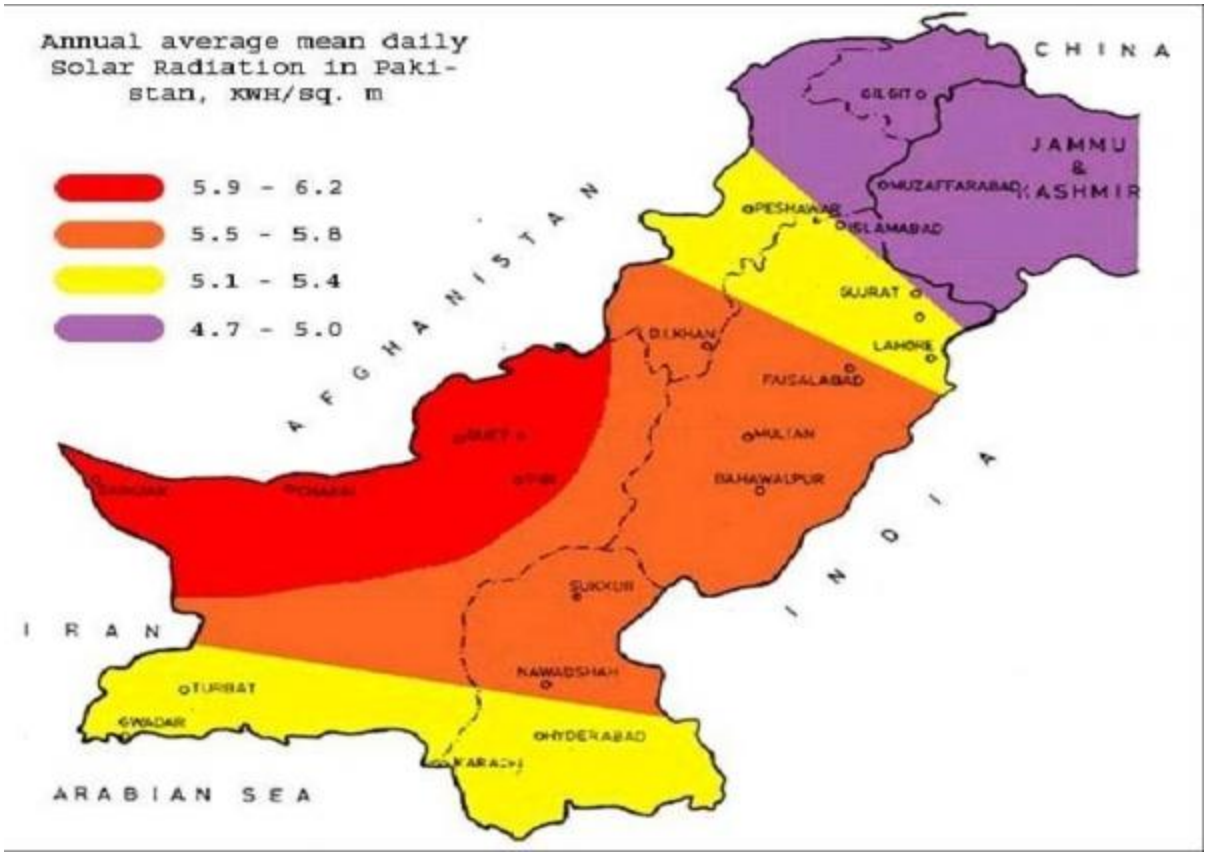




- **40,000+ Easypaisa shops in 800 cities** (vs. 11,000 total Bank Branches)
- **380,000** transactions per day
- Total **380 Million** transactions worth **Rs. 420 Billion** since 2009
- Moving **1% of Pakistan's GDP**
- Approx. **6 million** unique users every month
- Approx **40 million** unique customers since launch
- High Brand awareness **> 80%**
- Ranked as the **"Best Product for Women – Emerging Markets"** by GSMA in 2014
- Ranked as the "Best Mobile Money Service" by GSMA in 2014
- Won "Best Mobile Money Transfer of the Year" Award in 2010
- **3rd Largest Mobile Money Service** in the World in 2013

Solar Energy in Pakistan

Pakistan receives solar radiation of up to 6.2KWh per square mile.



Source: Air University Pakistan

Situation Analysis

On Grid

- ✓ The average frequency of **daily outage is 5-6 times** with an average interval of **2-3 hours**.
- ✓ The **rural areas are more affected** with the power outages as compare to urban areas.
- ✓ The **commercial areas in Pakistan are facing more power outage** as compare to household areas.
- ✓ **The satisfaction level with the power supply is very low, even more so in rural areas**
- ✓ The most important phases of electric need on **daily basis for public are 8-10 am, 12am-2 pm and 6pm-10 pm.**

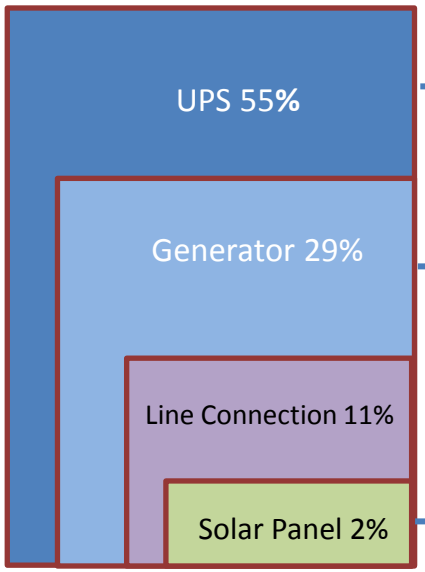




Situation analysis - AES

On Grid

HOUSEHOLD (174)

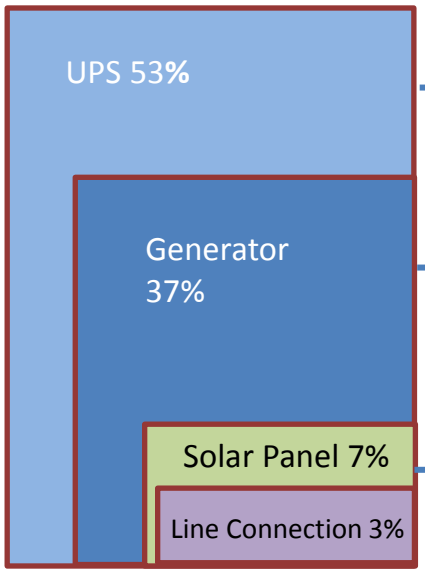


Own decision	74
Family asked me	69
Friends /relatives	39

Own decision	73
Family asked me	50
Friends /relatives	4

Own decision	71
My family asked me	43
My friends relatives	43
TV advertisement	14
Shopkeeper	14

COMMERCIAL (38)



Own decision	47
Family asked me	18
Shopkeeper	41

Own decision	95
Family asked me	43
Friends /relatives	38
Shopkeeper	5

Own decision	67
My family asked me	100
My friends relatives	67

The decisions to buy alternate sources are majorly driven by the CWE followed by suggestion for family and relatives.



Base: Users of alternate source of energy (212)
AES = Alternate energy source

SES Concept Test

On Grid

	Want to buy	Somewhat want to buy	Not clear on weather to buy or not	Do not want to buy to some extent	Do not want to buy
Overall (700)	11%	20%	21%	14%	32%
Household (565)	10%	20%	24%	14%	30%
Commercial (135)	13%	19%	13%	4%	41%

Conditional acceptance

Reasons for buying

- ✓ If available on easy installments
- ✓ If it is economical
- ✓ It will facilitate my needs

Reasons for not buying

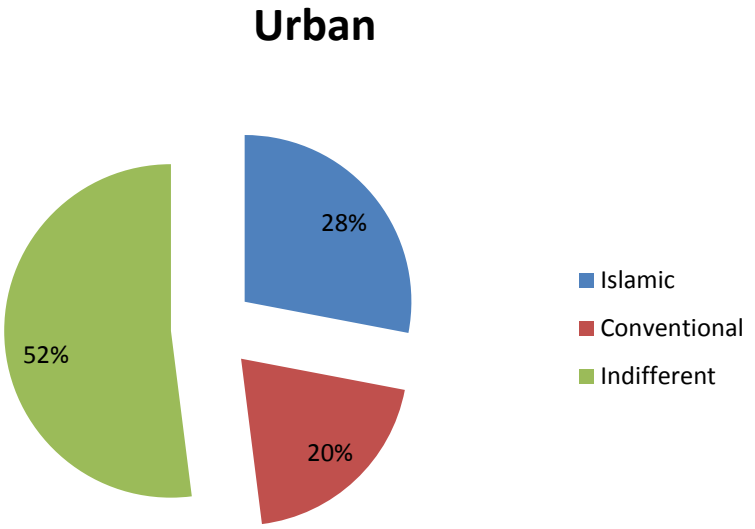
- ✓ Lack of information
- ✓ It will be expensive
- ✓ Cannot afford

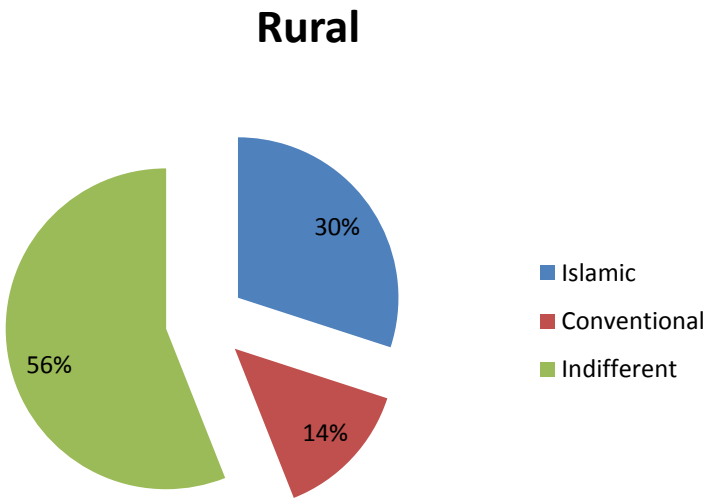


Base: All respondents (700)
SES : Solar Energy System

Financing - Islamic vs Conventional

On Grid







Survey Key Findings

On Grid

- Solar energy system registered an overall awareness of 56% and awareness for installment & leasing concept is almost 85% (Rural & Urban)
- **Lights, Fans and mobile charging are the most highly used electrical appliances** followed by Tube light, bulbs, battery light charging .
- **4 lights , 2 fans and 1 mobile charging socket is used during power blackout**
- About **75% of the respondents** who want to buy the SES on an installment plan are willing to pay **between Rs. 1000-3000 installment / month, and 80% are willing to pay between Rs. 100-300 as maintenance cost / month**
- Almost **170 respondents** want to buy Pay as you Go concept and are willing to pay on **average Rs. 865 (household) Rs. 960 (commercial)**
- **Cell phone penetration 78%**

AES - Normalized Scorecard

On Grid

- ✓ Solar system is considered eco friendly and its use also successful in Pakistan, non availability and lack of maintenance are the comparative weakness for SES.
- ✓ For UPS the ease of maintenance came out to be the strength, and its long time usage were the weakness. Generator's ease of availability was it comparative strength.

	UPS	Solar System	Generator
Base	(53)	(28)	(44)
Easily available in market	5	-16	11
Its use save the environment	-15	17	-2
Is long life in use	-10	5	5
Can use electricity for more duration	2	-11	8
Its use is successful in Pakistan	-3	9	-6
Its available in normal price	6	-3	-3
Can get cheap electricity by this	-1	8	-7
Its good value for money for use	6	0	-6
The maintenance facility is easily available in market	10	-10	0

SES : Solar Energy System
AES: Alternate energy system

Survey Findings – SES Concept Test

OFF Grid

	Want to buy	Somewhat want to buy	Not clear on weather to buy or not	Do not want to buy to some extent	Do not want to buy
Overall (300)	11%	29%	22%	23%	7%
HH (240)	10%	26%	24%	23%	8%
Commercial(60)	15%	42%	17%	23%	3%

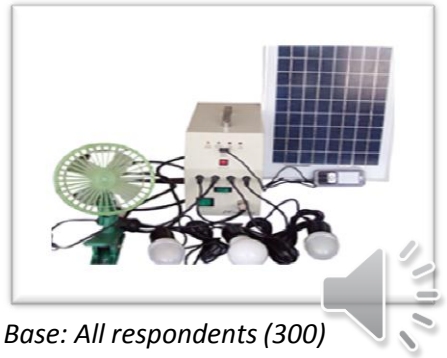
Conditional acceptance

Reasons for buying

- ✓ If available on easy installments
- ✓ If it is economical
- ✓ It will facilitate my needs

Reasons for not buying

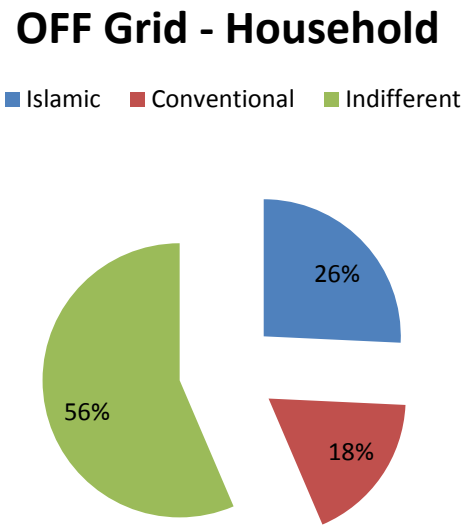
- ✓ Lack of information
- ✓ It will be expensive
- ✓ Cannot afford

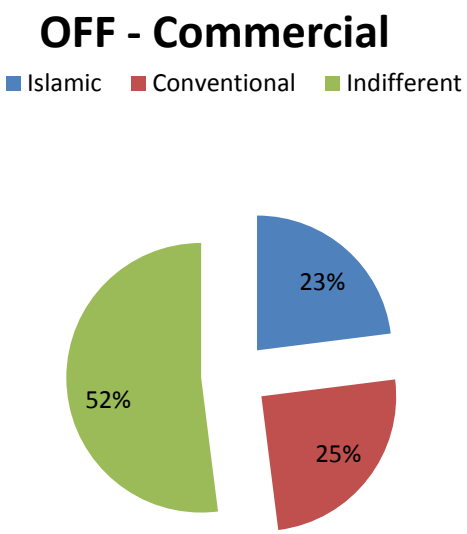


Base: All respondents (300)

Financing – Islamic vs Conventional

OFF Grid







Survey Key Findings

OFF Grid

- ✓ The respondent are not willing to adapt to solar energy as an alternate source due to two major reasons.
    i. Firstly, because of high price
    ii. Secondly because of the lack of availability

- ✓ About **76% of the respondents** who want to buy the solar concept are willing to pay between **Rs. 1000-3000 as an installment** to buy the system

- ✓ Almost **155 respondents** want to buy Pay as you Go concept and are willing to pay on **average Rs. 580(household) Rs. 750(commercial)**

- ✓ *The electrical appliances used in the Off Grid areas are majorly battery based appliances. The use of* ***Mobile and battery lights is comparatively high***

- ✓ *People have* ***to travel to other towns locations*** *mostly to get their mobiles charged.*
- ✓ **Cell phone penetration 65%**

Pilot Project Activity

easypaisa
بدلے زندگی آسانی سے

Business Model

An alliance between a financial Institution, a Solar Vendor & a Mobile Financial Services deployment.



MFS
MOBILE FINANCIAL SERVICES



Product Features

- Maximum of 3LED lights , mobile charging
- 7-8hrs battery backup
- Provides maintenance coverage and standard warranty





Target Market

1. EP Agents
2. TP & TB customers
3. Low income households
4. Shopkeepers & small businessman



Easypaisa Solar Project Value

Monetary

- Loan Repayment collection charges
- Premium on micro finance

Non-Monetary

- Mobile Account activity
- Cell Phone usage
- Alliance with international Donors
- Learnings from Lending Product



Ambition!

easypaisa
بدلے زندگی آسانی سے



THANKYOU

Definitions & Acronyms

SEC Urban Areas

Occupation of Chief Wage Earner	Education of Chief wage earner						
	Illiterate	Less than primary	School 5-9 years	Metric	Intermediate	Graduate	Post-graduate
Unskilled worker	E	E	E	E	D	D	C
Petty trader	E	E	E	E	D	C	C
Skilled worker	E	E	E	D	D	C	C
Non-executive staff	E	E	D	D	D	C	C
Supervisory level	D	D	C	C	B	B	B
Small shopkeeper/businessmen	D	D	C	C	B	B	A
Lower/middle: executive, officer	D	C	C	C	B	B	A
Self-employed/employed professional	B	B	A	A	A	A	A
Medium businessmen	B	A	A	A	A	A	A
Senior executive/officer	B	A	A	A	A	A	A
Large businessmen/factory owner	A	A	A	A	A	A	A

SEC Rural Areas

Education of chief wage earner	Type of house			
	Mud house	Mud + Concrete	Lower concrete	Upper concrete
Illiterate	E	D	D	C
Less than primary	E	D	C	C
Between primary & metric	D	C	C	B
Metric	D	C	B	B
Intermediate	D	C	B	A
Graduation	D	C	A	A
Post-graduate	B	B	A	A

Acronyms

SES = Solar Energy System
HH= Household
SHS = Solar home Solution
TP = Telenor Pakistan
EP = Easypaisa
TB = Tameer Bank
CCD = customer care dept
RSO = Retail Sales Officer
CWE = Chief wage earner