

Centre for Digital Financial Inclusion (CDFI)



Role of Mobile in Promoting Financial Inclusion

Krishnan Dharmarajan

21st July 2015

Jan Dhan Yojna – Current Status



1

Number of accounts opened (15th July 2015)

16.92 cr

Urban

6.71 cr

Rural

10.21 cr

2

Number of Rupay debit cards issued (15th July 2015)

15.05 cr

3

Balance in accounts (15th July 2015)

20,288 cr

4

Percentage of zero balance accounts (15th July 2015)

50.6%

Aadhaar – Current Status



1

Number of Aadhaar cards
Issued (20th July 2015)

88.49
cr

2

Number of Aadhaar cards
linked with bank accounts
(15th Dec 2014)

10 cr

3

Number of transactions
through Aadhaar Payment
Bridge (9th Dec 2014)

7.94 cr

4

Total amount transferred
through Aadhaar Payment
Bridge (9th Dec 2014)

5,151
cr

Indian Mobile Landscape



1

Number of wireless subscriptions in India (Oct 2014)

93.54 cr

Urban

54.78 cr

59%

Rural

38.66 cr

41%

2

Number of unique wireless subscribers in India (Oct 2014)

46.8 cr

36%

3

Wireless tele-density in India (Oct 2014)

74.89%

Urban

142%

Rural

45%

Smartphone Usage in India



3

Internet capable phones
(2014)

43.1 cr

2

Expected number of
smartphone users in 2015

17.1 cr

1

Number of smartphone
users in India (2014)

11.6 cr

4

Smartphone users
searching for local
information (2014)

95%

5

Smartphone users
researching products
(2014)

91%

6

Smartphone users who
have made a purchase
(2014)

54%

Smartphones becoming more affordable



India is the third largest market for smartphones currently, after China and the US, and is expected to become the second biggest market by 2016

In 2014, 95 brands (64 Indian and 31 international) together launched 1,137 phones (average of 3.1 phones every day)

Mobiles priced between INR 5,000 and INR 15,000 accounted for 59% of devices launched in 2014

The average selling price of smartphones fell by 19% over the course of the year

The average smartphone priced above Rs 5,000 now ships with over a gigabyte of RAM, 60% of all smartphones launched in 2014 were powered by quad-core and above processors, HD resolution screens grew more pervasive, as did 13-megapixel+ sensors

Source: The Mobile Economy, Asia Pacific 2015, <https://gsmaintelligence.com/research/?file=fb9efc032061d5066boeda769ad277f&download>; Growth of Internet Users in India and its Impact on our life, 21st May 2015, <https://data.gov.in/community/india-statistics/blog/growth-internet-users-india-and-its-impact-our-life>; Digital Statistics 2014, http://www.slideshare.net/iibe/digital-statistics-2014-india?qid=d4b9a2a9-ddd3-406f-ac5b-f02d9f5ce4ae&v=qf1&b=&from_search=7; Here's How Many Phones Get Launched In India Every Day, Huffington Post, 10th April 2015, On Average http://www.huffingtonpost.in/2015/04/10/mobile-industry-landscape_n_7039232.html

Internet Usage in India



1

Number of internet users in India (Dec 2014)

26.74 cr

Urban

17.52 cr

Rural

9.22 cr

Avg. time that users spend online through a laptop/desktop each day

4h 54 m

In 5 years, India's rural market will likely be 2X bigger than India's urban market today

2

Number of mobile internet users in India

11 cr

Urban

8.5 cr

Rural

2.5 cr

Avg. time that users spend online on a mobile each day

2h 36 m

Almost half the mobile internet users are less than 25 years

Mobile – Opening Possibilities

Anytime Anywhere
Access

Complex Processes
on Basic Mobile

Device Independent
Forms

Longer Field Trips
Possible in Remote
Areas

Develop Once
Deploy Multiple
Capability

Drop-down Fields

Images, Audio, &
Video Capability

Location Data
Capture

Very High Coverage

Local Language
Capability

Simple Feedback
Mechanism (SMS)

Integration with
Geographical
Information Systems

Near 100% Reach

Workflow
Management
Capability

Approval, Query, &
Comment on Mobile

Security and
Encryptions
Features

Sizeable Data
Holding Capability

Disconnected Mode
of Operation
Possible

Approval, Query, &
Comment on Mobile

Commercial
Transactions as a
Part of Work Flow

Transactions Linked
with Core Banking
Solutions

PoS Devices for
Financial
Transactions

Aadhaar Interface

Interface with
Tracking Systems









While Financial Inclusion is huge challenge

Technology presents us with an opportunity

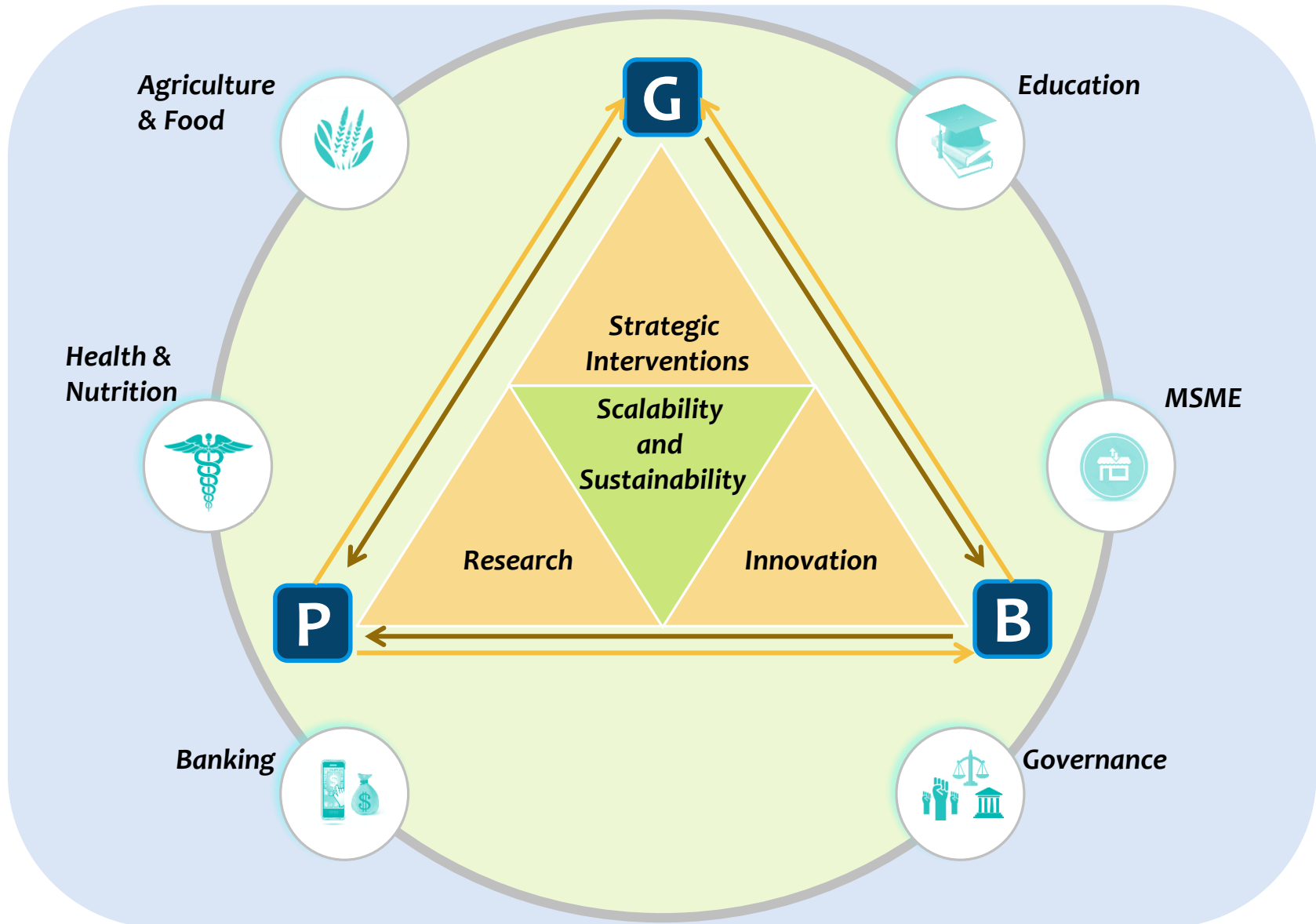
CDFI Approach ...



Focus on Key Domains to Promote Financial Inclusion

Focus Areas	Agriculture & Food 	Banking 	Education 	Governance 	Health and Nutrition 	MSME 
PURPOSE	Develop initiatives that promote digital payments, usage of bank accounts, and consequently access to savings, insurance, credit, and payment services for poor, rural, and other excluded population segments					
STRATEGY	<p>Develop and scale new digital payment use cases with high impact</p> <p>Strategic interventions supported by in depth research</p> <p>Re-imagine service delivery to the poor around innovations in the financial / payment space</p> <p>Develop digital payment projects and financial products, specific to the focus areas</p>					
APPROACH	<p>Jan Dhan scheme to be leveraged for providing access to basic / sector-specific financial products and develop innovative financial products for the unbanked</p> <p>Aadhaar and other authentication/ identification services to be leveraged for providing benefits directly to the beneficiary's account and develop new cashless payment channels</p> <p>Mobile's ubiquitous coverage and rapidly advancing mobile technology to be leveraged for providing government and other benefits/ services through digital means in remote areas</p>					

Approach to Technology Interventions





THANK YOU