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3-5 August 2015, Singapore**

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**DIGI Telecommunications Sdn. Bhd, Malaysia**

**DIGITAL SERVICES (TELECOMMUNICATIONS)**

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# DIGITAL SERVICES - STRATEGIC INITIATIVES FOR NEW ICT TECHNOLOGIES

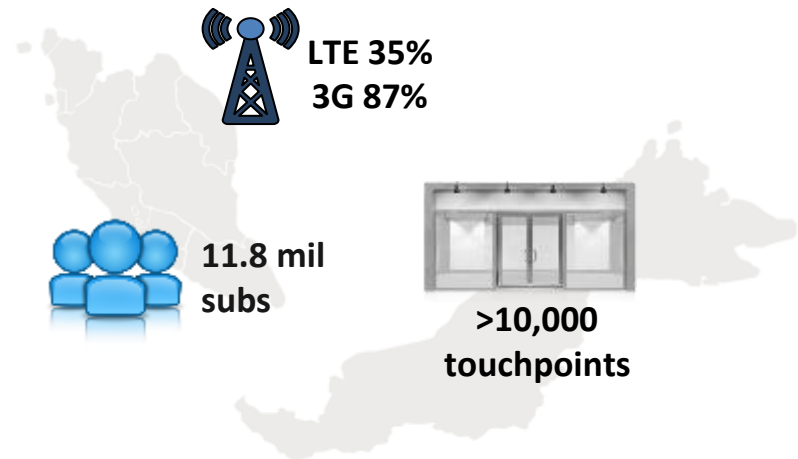
APT Policy and Regulatory Forum  
4 August 2015



# Introduction to Telenor Group and Digi Telecommunications

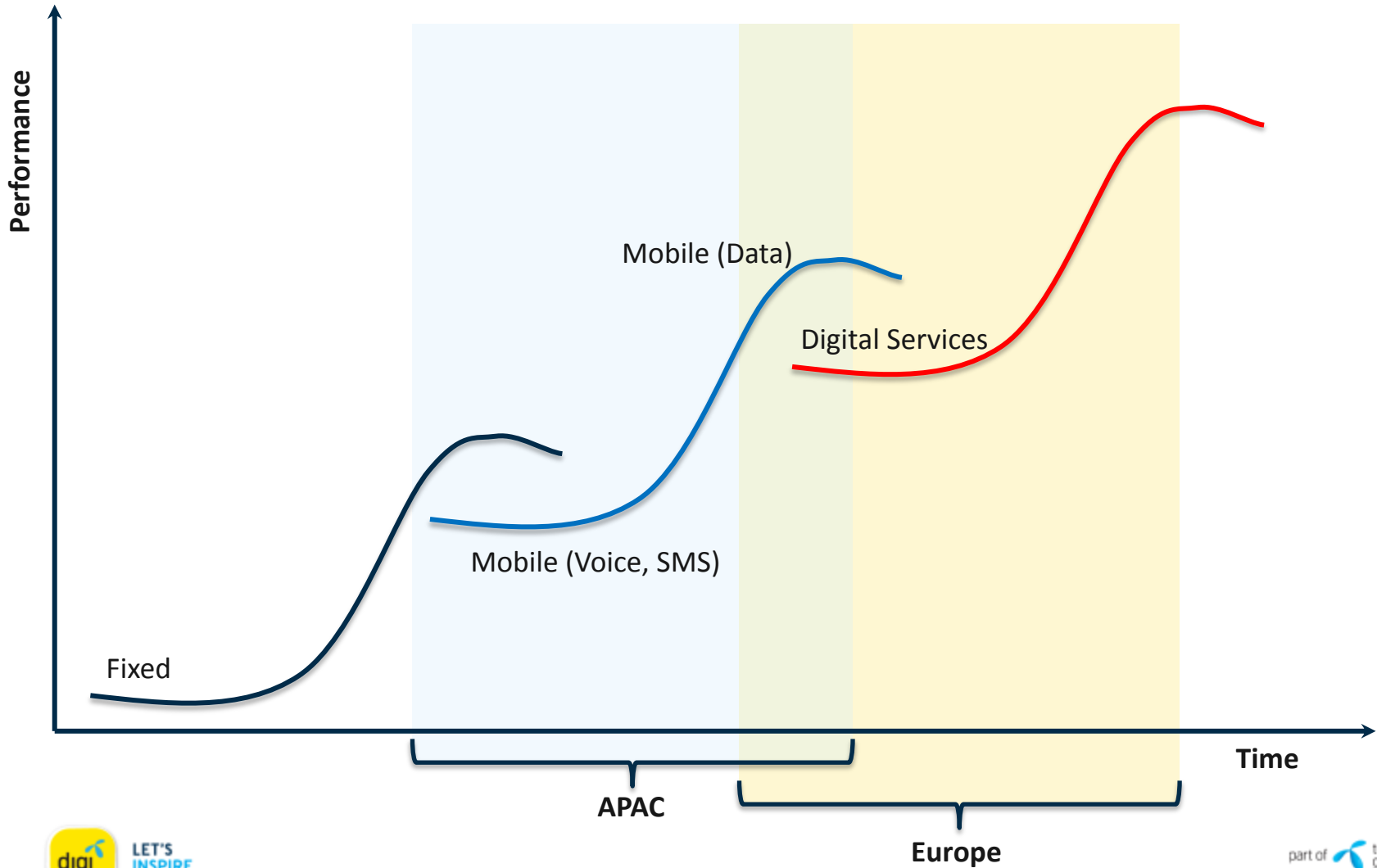


- Telenor is a global communications operator:
  - BU's in 13 countries
  - 189 mil subscribers
- # 1 or #2 mobile operator in most markets



- #3 largest mobile operator in Malaysia
- Top #10 largest company in KLSE
- 2014: Forbes World's Top 100 Most Innovative Companies

# Telecommunications Industry, especially Mobile, is Highly Dynamic



# Finding New Growths is Critical for the Survival of Telecommunications Operators, and Part of our DNA

OTT Messaging, such as *Whatsapp, Line, etc*, only took 3 years to overtake SMS as preferred platform to send short messages



Source: Analysys Mason, OTT communication services worldwide: forecasts 2013–2018

# Globally, Telecommunications Operators launched Strategic Initiatives into Digital Services to Secure Future Growth



## Content

- Invested \$168 mil to buy 100% of **Dailymotion** (YouTube rival)
- Bought 20% of **Deezer** (Spotify rival) to drive sub growth

- Offered high quality TV content via **Movistar** services, in partnership with key content provider, including Showtime, Amazon, AMC

- \$49bil merger with **DirectTV** to leverage on content portfolio
- **JV with Chernin Group** to invest \$500mil in OTT subscription video

## Financial Services

- Prepaid m-wallet and NFC payment service via **Orange Cash solution**
- **Partnership with Wirecard** for m-wallet and payments

- **Direct Operator Billing** to Google, Microsoft, RIM and Facebook
- **Partnership with Wirecard** for m-wallet and payments

- Softcard solution, prepaid m-wallet and NFC payment platform
- Sold platform to Google (which was later integrated into **Google wallet**)

## M2M

- In-house cloud-based cross platform M2M connectivity solution via **Orange Datavenue** solution

- Open modular M2M platform (**Telefonica Thinking Things**) for building E2E connected systems

- Acquired **Xanboo**, home automation
- Launched **AT&T DigitalLife Smart Home** solution for device monitoring

# Mobile Financial Services has shown great potential across many markets across Asia, especially India, Pakistan, Bangladesh

## Mobile Financial Services Pillars



### 1 Remittance, Payments

- International remittance
- Local money transfer
- Bill payment



### 2 E-Wallet, Savings

- e-Wallet
- Mobile savings account



### 3 Lending

- Short term financing for customers with no banking relationships



### 4 Insurance

- Micro-life
- Personal Accident
- Travel

**easypaisa** پیسے کی آسانی

**ACHIEVEMENTS**

- Awarded "Best Mobile Money Service" at the GSMA Awards 2014
- Ranked as the "3rd Biggest Mobile Money Service in the World" - World Bank, 2013
- Moved 20% OVER 100 OF Pakistan's GDP through the Easypaisa platform in 2014
- Highest Brand Awareness in the Mobile Financial Services category (over 90%)

**MOBILE ACCOUNT**  
Branchless banking accounts on your mobile phone

- Works on any Mobile Phone by dialing \*786#
- Cash Deposit & Withdrawal at any Easypaisa SHOP
- Easypaisa ATM Card for Cash Withdrawal at any ATM in Pakistan
- Menu in both English & Urdu

**CORPORATE SOLUTIONS CLIENTS**  
A convenient and cost effective way to disburse cash transfers

| GOVERNMENT   | SEMI GOVT.  | NGO  | MFI   | PVT. LTD.   |
|--|---|--|---|---|
| <b>EDUCATION (STIPEND)</b> <ul style="list-style-type: none"> <li>FESEP</li> <li>SEEP</li> <li>BSP (Muziris Talwar)</li> </ul> | <b>BUILD DISBURSEMENT</b> <ul style="list-style-type: none"> <li>Zakat &amp; Baitur</li> <li>EDMA</li> <li>WIS</li> <li>WPK Food Subsidy</li> </ul> | <b>WOMEN EMPOWERMENT</b> <ul style="list-style-type: none"> <li>CARE (ICT)</li> <li>IBO</li> </ul>   | <b>LOAN REPAYMENT</b> <ul style="list-style-type: none"> <li>Asqab</li> <li>SARFICO</li> <li>RCSB</li> <li>KASIF (microfinance)</li> <li>TSPB</li> <li>Orange Pilot Project</li> <li>GAMEN</li> <li>WSPF</li> </ul> | <b>INTERNET PAYMENTS</b> <ul style="list-style-type: none"> <li>PIEL</li> <li>W-e-bill</li> <li>Gubee</li> <li>Wazee</li> <li>PIEL ESD</li> <li>World Call</li> </ul> |
| <b>WOMEN EMPOWERMENT</b> <ul style="list-style-type: none"> <li>BSP (BCT)</li> <li>EBBI</li> </ul>                             | <b>TICKETING &amp; COLLECTION</b> <ul style="list-style-type: none"> <li>PIA</li> <li>WPK Traffic Chulha</li> </ul>                                 | <b>BUILD DISBURSEMENT</b> <ul style="list-style-type: none"> <li>ACTB</li> <li>AJF</li> <li>Qufan</li> <li>Baqan Appeal</li> <li>SP</li> </ul> |   | <b>TICKETING &amp; COLLECTION</b> <ul style="list-style-type: none"> <li>Fiscal Movers</li> </ul>   |
| <b>HEALTH</b> <ul style="list-style-type: none"> <li>MICR</li> </ul>   |   |  |   |   |

**Empowering Pakistan**  
Providing convenient solutions for a financially prosperous future

## easypaisa Pakistan

- Empowering lives of 15 million Pakistani (active customers)
  - 850 cities across Pakistan
  - 65,000 retailers and touchpoints
- Enabling banking for the *Unbankable*; Globally, 2.5 bil adults do not have a bank account. Of which, 1 bil have access to mobile phones
- Product portfolio include:
  - Local money transfer
  - International money transfer
  - Life insurance (*Khushaal Beema*)
  - Unsecured loan, e.g. for handset lending
  - Disbursement, e.g. for student stipends, pensioners

# International Remittance Solution for Migrant Workers

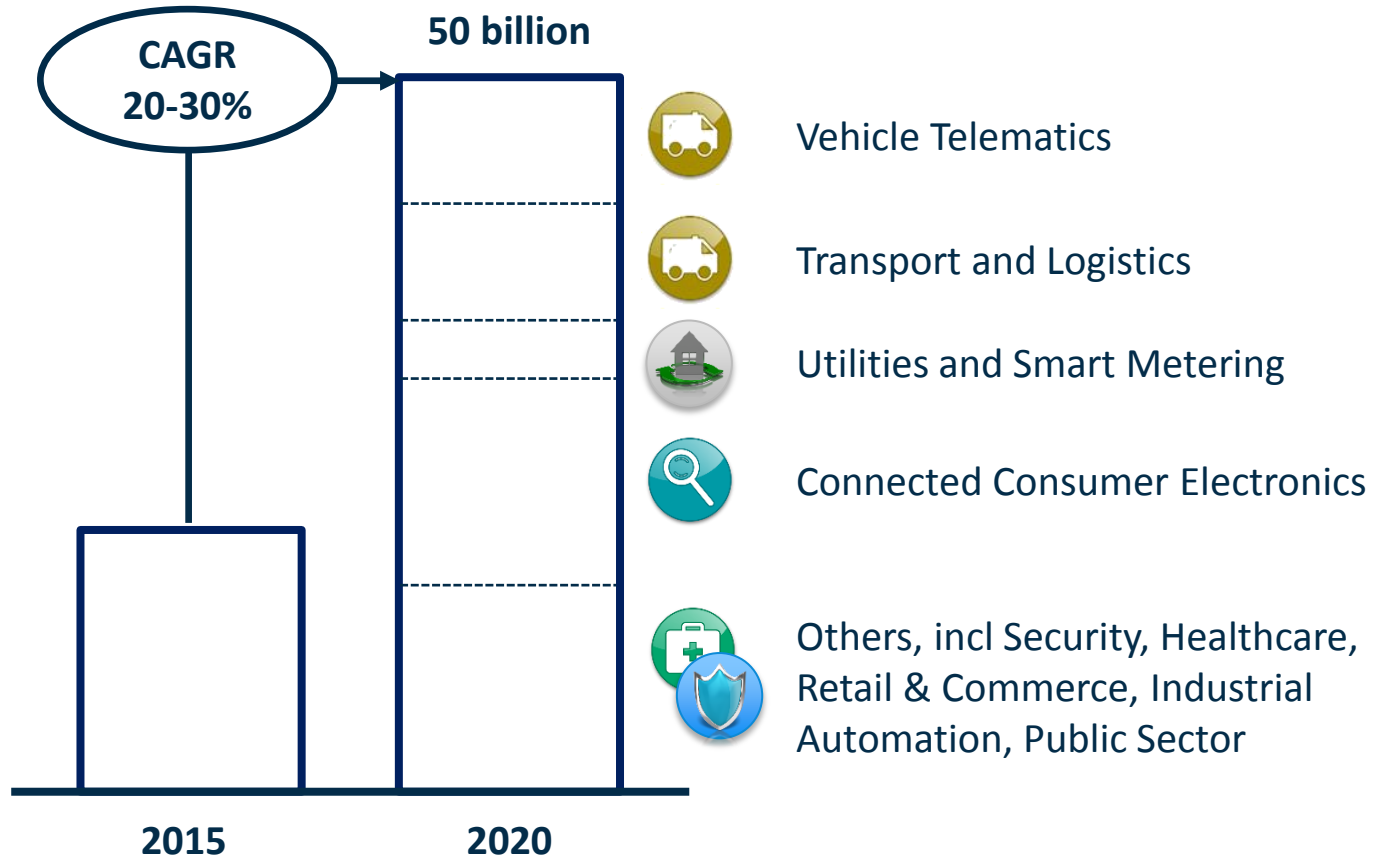
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# M2M has start Gaining Traction with Governments and Mobile Operators

## # Connected Devices



# One of the largest M2M Implementation is the UK Smart Metering Project

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## *UK Smart Metering Project*

- Owner: Department of Energy and Climate Change
- Key Objectives
  - Energy savings of **£ 17 billion**
  - Transition to low carbon emission economy
  - Ensure long term sustainability of energy supply
- Scope of initiatives
  - **30 million households** across UK
  - **55 million devices**, incl electricity and gas
- UK households will have real-time access to energy consumption to (i) manage usage, (ii) reduce emission and (iii) save money
- Government planners and utilities company will have real-time access to energy consumption pattern, e.g. for planning, different tariff by time-of-day; No need for manual meter reading
- Regulations required in (i) data access policy, (ii) security, (iii) technical standards, (iv) devices and equipment

# GSMA Mobile Connect was launched in 2014, to enable customers to create and manage a universal identity that will securely authenticate them

## Concerns around identity and personal data

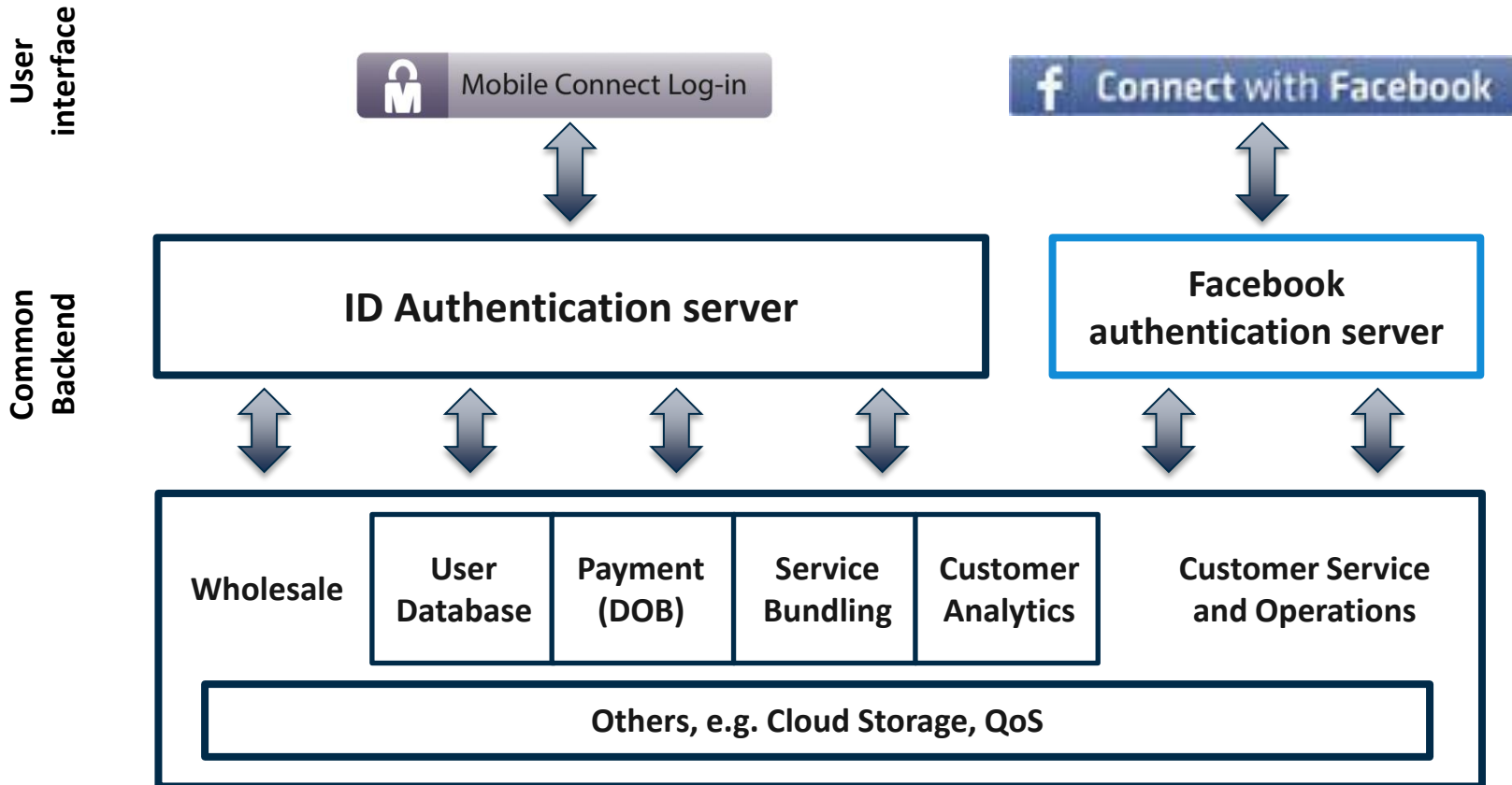
|     |   |
|-----|---|
| 83% | Are concerned about sharing their personal information when accessing the internet or apps from a mobile          |
| 81% | Think it is important to have the option of giving permission before third parties use their personal information |
| 65% | Check what information an app wants to access and why before installing it  |
| 48% | Limit their use of apps unless they felt sure their personal information was better safeguarded                   |
| 60% | Want a consistent set of rules applied to any company accessing their location                                    |
| 82% | Want to know when, and what type of personal information is being collected from their mobile devices             |



- Mobile Connect is a **digital ID solution** that allows users to safely access mobile and digital services such as e-commerce, banking, health and digital entertainment
- It is **primarily mobile centric** – aiming to use **mobile assets (SIM/network) as authentication mechanisms**
- There are now **17 mobile network operators** who have launched the service in 13 countries (Robi Axiata – Bangladesh; China Mobile, China Telekom – China; Indosat, Telkomsel, XL Axiata – Indonesia; Digi (Telenor) – Malaysia )

Source: GSMA Intelligence, The Mobile Economy 2015

# Mobile Connect ID is essential for the utilization of Operator's Backend Capabilities, e.g. Payment, Service Bundling, Analytics



# Digital ID has many Use Cases for eGovernment

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Public services: transforming how citizens and governments interact. Use cases range from submit tax returns, apply for a driving license, register a motor vehicle with Road Administration and registration of a new company.

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Smart Cities: from loyalty programs, to public transport ticketing and utilities payments, mobile technologies are making it easier to travel, reduce carbon emissions and energy consumption.

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Healthcare: transforming the delivery of healthcare and well-being for patients and practitioners alike, enabling patients to manage their own health, access anytime, anywhere support and services and benefit from more accurate diagnoses by healthcare professionals.

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Education: ability to learn anywhere, anytime and on the move with educational content made available over mobile networks to devices such as tablets, smart phones and feature phones

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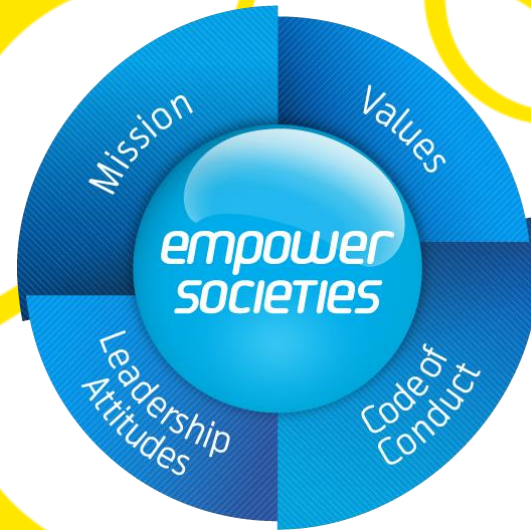
Cross border public services: simplifying administrative formalities involved in setting up a business in a new territory or establishing a new branch office, national governments are 'open for business', creating a framework that enables ease of participation in the wider global economy while streamlining the delivery of services to nationals and non-nationals alike

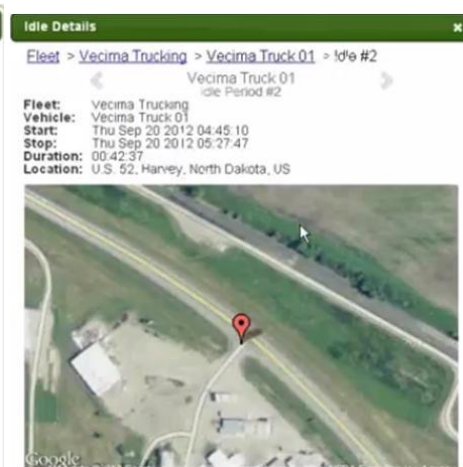
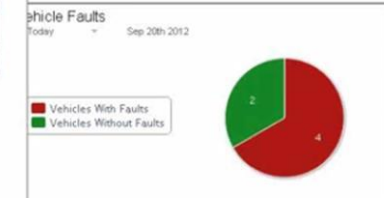
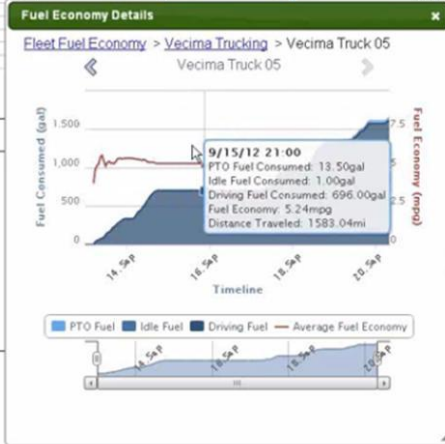
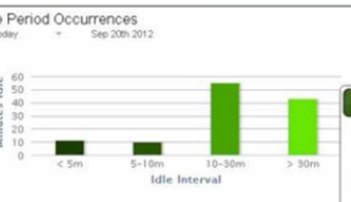
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Voting: trusted digital identities make it easy for citizens to verify and confirm they are who they say they are – giving them the security, convenience and flexibility they need to vote in local, regional and national elections. But also increasing electoral control and administrative cost savings.

# THANK YOU





# Through the Mobile Connect initiative, Digi will make Connect ID as the only login for Digi's customers across all channels and digital services

CONNECT by Telenor Digital

Nomor ponsel

+60

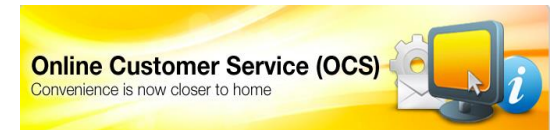
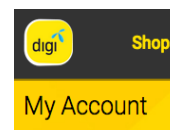
Sandi

[Lupa sandi?](#)

Login

DiGi Online Community

digi Community



One username and password

Secure authentication

Recognizable interface



# For Digi / Telenor, we believe that mobile financial services will be a new normal, where mobile and online banking will be available for all

## Telenor's Financial Services Pillars



1

### Payments

- International remittance
- Local money transfer
- Bill payment



2

### Savings

- e-Wallet / mobile accounts
- Mobile savings account  
*(joint product with banks to offer micro savings with interest rates)*



3

### Lending

- Short term financing facilities to those with no previous banking relationships









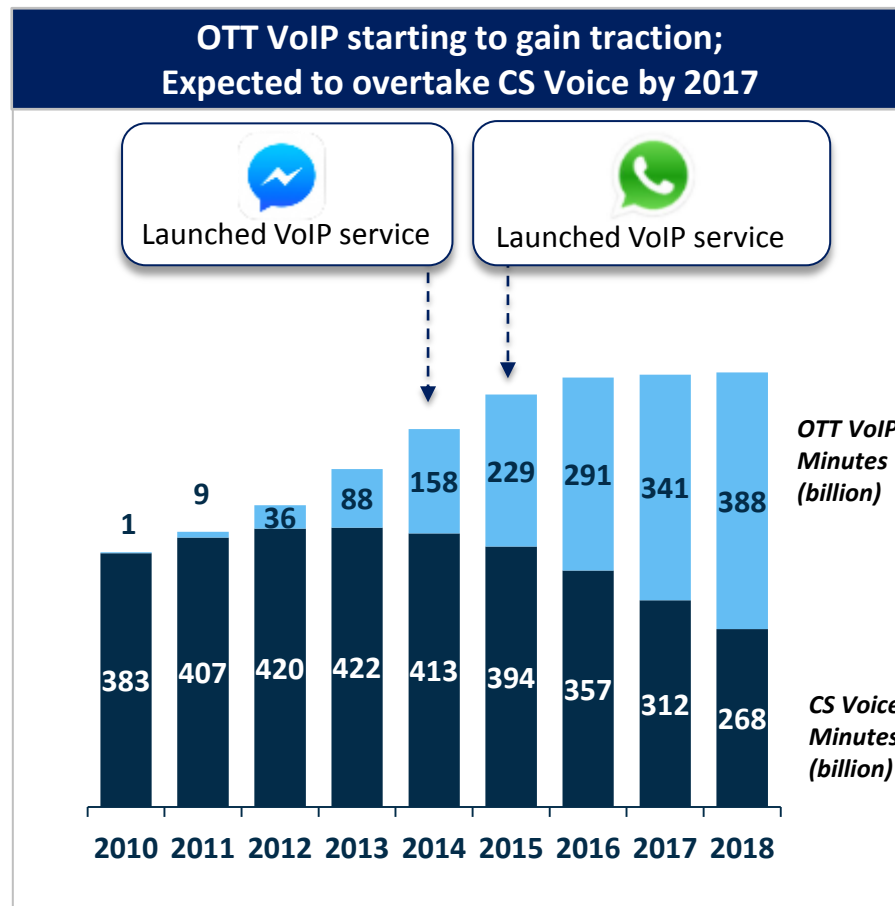
4

### Insurance

- Micro-life
- Personal Accident
- Travel

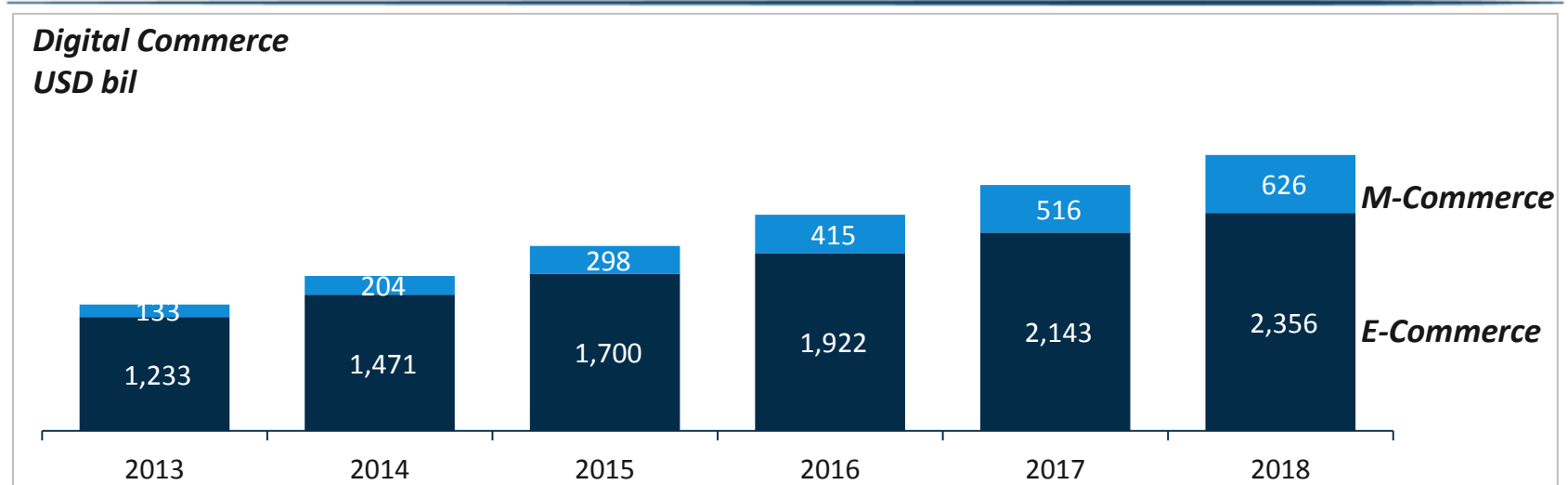
# Their recent entry into the VoIP (Voice over IP) market is also starting to gain traction and is expected to dominate the market by 2017

| OTT Players  | IM | Voice | Video |
|--|----|-------|-------|
|  WeChat     | ✓  | ✓     | ✓     |
|  Line       | ✓  | ✓     | ✓     |
|  Viber      | ✓  | ✓     | ✓     |
|  Kakao Talk | ✓  | ✓     | ✓     |
|  Whatsapp  | ✓  | ✓     | ✗     |
|  Facebook | ✓  | ✓     | ✗     |



Source: Analysys Mason, OTT communication services worldwide: forecasts 2013–2018

# The Digital Commerce area is also seen as a means to strengthening customer relationships, reduce churn rate and drive additional revenue



Source: GSMA Intelligence, *The Mobile Economy 2015*

## Why Digital Commerce for Mobile Operators



### Support core business

Potential revenue opportunity by **broadening value proposition**



### Increase customer loyalty

**Drive customer retention** by offering convenience on financial services



### Reaching the “unbanked”

Able to **penetrate emerging markets**, where few people hold a bank account compared to the amount holding a mobile subscription.

# The M2M market has seen rapid growth globally over recent years as operators and governments recognise the potential of the IoT

## Fastest growing M2M Sectors



Automotive



Security



Wearables



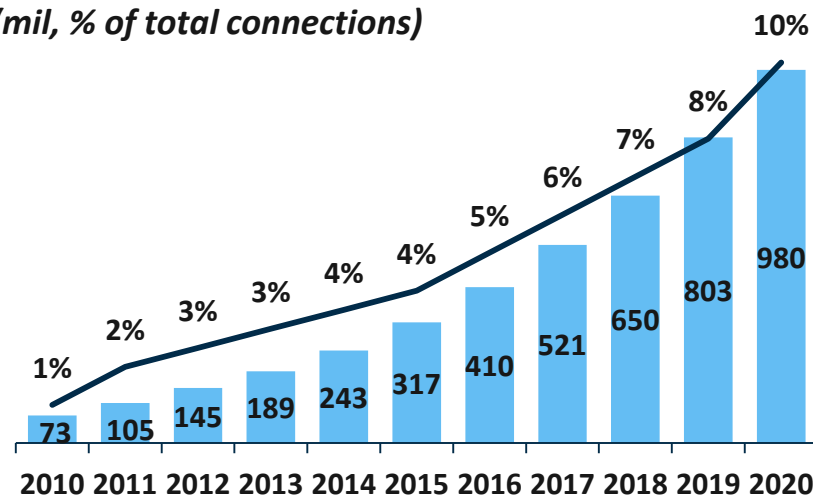
Utilities



Health

Source: GSMA Intelligence, The Mobile Economy 2015

## Global growth of Cellular M2M (mil, % of total connections)



Source: GSMA Intelligence, The Mobile Economy 2015

- Mobile connectivity will act as an **aggregator or hub to connect a range of devices, offering wide-area connectivity**
- Mobile operators are moving into the M2M space through:
  - Automotive: Vodafone acquired Cobra Automotive Technologies which provides **security and telematics solutions** to the automotive and insurance companies
  - Wearables: Offers customers the **flexibility to add 4G LTE-equipped vehicle, cellular smart watch or communications and location devices** at the same cost as a connected tablet
  - Utilities: Deutsche Telekom offers **utilities efficient load-sharing** for customers to reduce their energy costs