

Mobile Banking Solution for Equity Bank in Kenya

Case Study

Project: Equitel mobile banking service in Kenya

Country: Kenya

End-customer: existing Equity Bank account holders, new customers of Equitel mobile network.

Project Contractor: Equity Bank

Population in Kenya: 48 million citizens

Launch: 2014

Reasons to implement Mobile Banking Solution:

1. Telecommunications is a highly competitive sector in Kenya. Safaricom's well-known M-Pesa is a dominant mobile money transfer platform.
2. Equity Bank recognized the need for more mobile and integrated banking services in this African region.
3. Kenyan consumers have positively responded to new services like "mobile bankings". Many people do not have smart phones, therefore the option to use banking services on simple feature-phones is a very attractive feature.
4. X Infotech offers a comprehensible software solution, which serves as a Gateway between the ecosystems participants.

Equitel service features:

1. Easy to use Equitel's SIM card was free-of-charge to the existing Equity bank account holders.
2. Proxy sim-card (a thin card applied on top of another regular sim-card) allows customers to use Equitel communication and financial services even if they stay within another mobile network.
3. Financial application on the Equitel SIM card allows to move funds to any bank, move funds to other mobile money transfer platforms (M-Pesa, Airtel, Orange Money, etc.), withdraw money from ATMs, make savings, handle utility payments, etc.
4. The business model is built around convenience of accessing and receiving money from anywhere at low or no cost.



Project overview:

Equity Bank joined forces with X Infotech and the leading telecommunications company to develop a secure infrastructure of mobile and banking services for millions of people in Kenya and whole East African region.

The complete mobile solution delivered by X Infotech includes a Mobile Gateway solution, which is an automated system for remote service provision via mobile communication channels, along with a Payment Gateway solution for processing financial transactions.

The mobile banking platform allows its clients to make free deposits and money transfer to any mobile service or bank account across the country. Moreover, the service provider offers a number of value-added features, including a branded mobile banking service for balance checks and money withdrawals from ATMs using a cash-code directly sent to the phones via USSD.

Currently, Equity Bank is actively promoting their free-of-charge SIM cards to their existing bank account holders (in total - 9 million potential customers) via their branches and agency banking outlets.

X Infotech solutions implemented and integrated:

- X Infotech Mobile Gateway (MGW) is an automated system for the provision of services via mobile communication channels (SMS, USSD) or Internet channels (XML or JSON requests).
- X Infotech Payment Gateway (PGW) is an automated system for online payments, money transfers or any other operations based on payment processing.
- X Infotech OTA platform is a component of telecommunication infrastructure, which provides functionality for over-the-air personalization and management of applications on SIM-cards.

Achievements:

- The core advantage of the technology — is absolute convenience for all parties involved: banks, merchants, agents and users, as it supports tablets, smartphones, cell phones and conventional feature phones.
- X Infotech's mobile solution facilitates access to banking services in both rural and urban areas of the East African region. The statistics shows that four million bank's customers are already using these services on a daily basis.
- In just over a year (2017), Equitel has processed 22% of mobile money transfers as per the 2016 report from the Communications Authority of Kenya (source: Equitel).

Digital financial services

Fintechs (Finserve) play a critical role in deepening financial inclusion and democratizing financial service provision.

Our solution gives possibility to propose Digital financial services that are:

1. Affordable & Convenient! Not only to make payments, but access credit, save, obtain insurance, investments, withdraw and conduct KYC, CRB and AML querying
2. Expand scale, scope and reach of the financial services and digitizing Government-to-Person (G2P) payments, thus stimulating financial inclusion
3. Access to the financial services using all kind of mobile channels – starting from SMS, USSD, STK, till native applications on iPhone and Android, including full MVNO infrastructure support.
4. Account to account transfers using omni-channel (mobile, POS, web):
 - Account to account
 - Card to account
 - Account to card
 - Card to card
 - Card to wallet / mobile money
 - Wallet / mobile money to card
 - 3rd party systems to account (disbursements) etc.