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Innovations and trends in digital finances

“ Dr. Victor Dostov

“ *President of the Russian Electronic Money Association*

Russian Case



Financial exclusion in Russia is still
40%, notwithstanding high and growing GDP



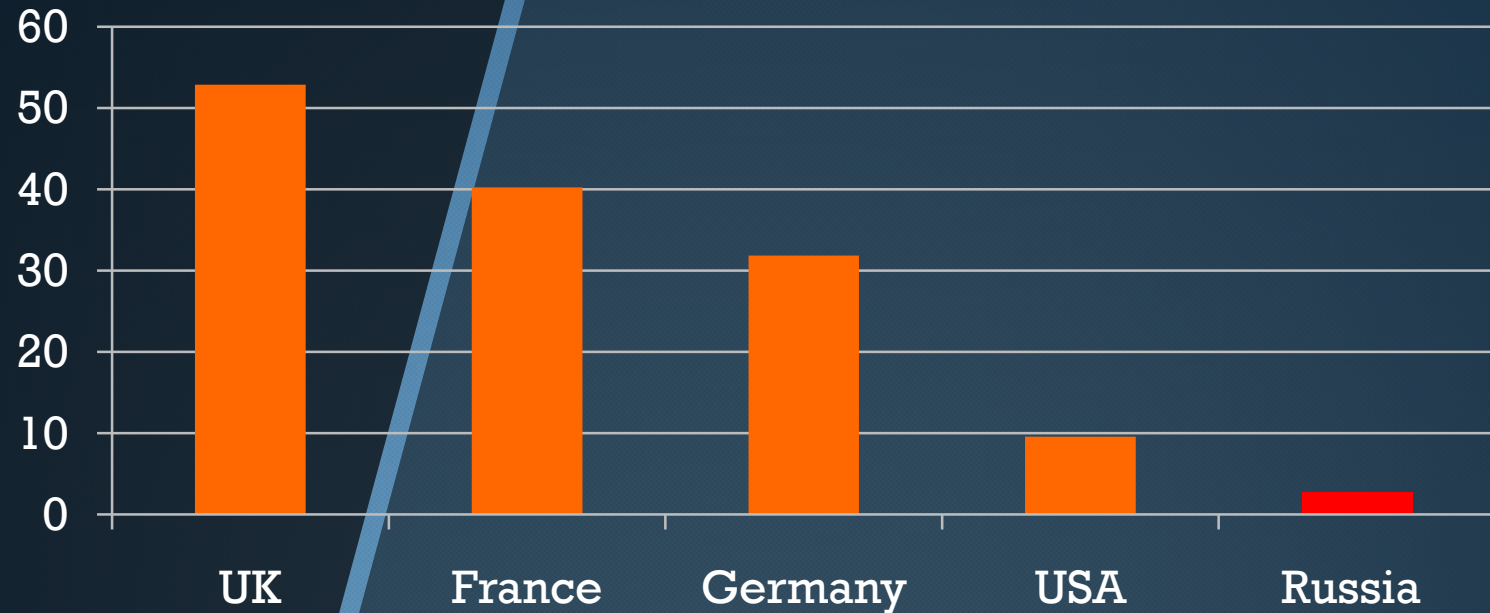
*Russian National Association of Microfinance
Market Stakeholders (NAUMIR)

2

Territorial factor



Bank Branches per 1000 sq.km.



IMF Financial Access Survey, 2011

But we can base on high tech ecosystem



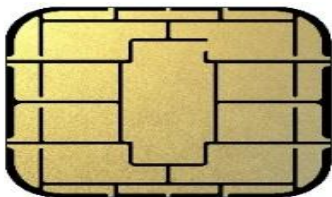
High number of mobile subscriptions

- 234 mln active SIM cards.



High Internet Penetration

- 55% of Russians are Internet Users



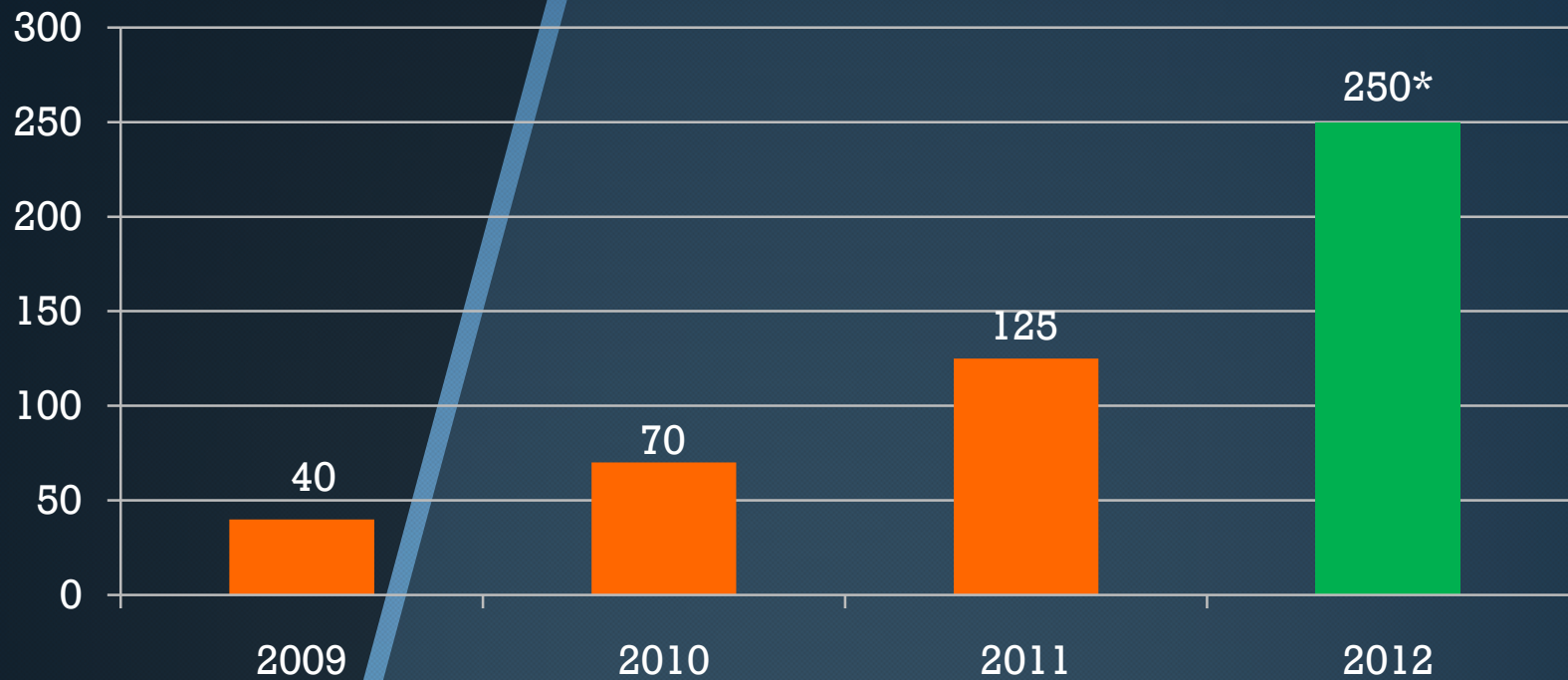
High card per capita ratio

- 1.4 per capita, but 90% is cashing

Electronic Money: almost \$10 bln in 2012

4

E-Money wallets top-ups, bln. RUB

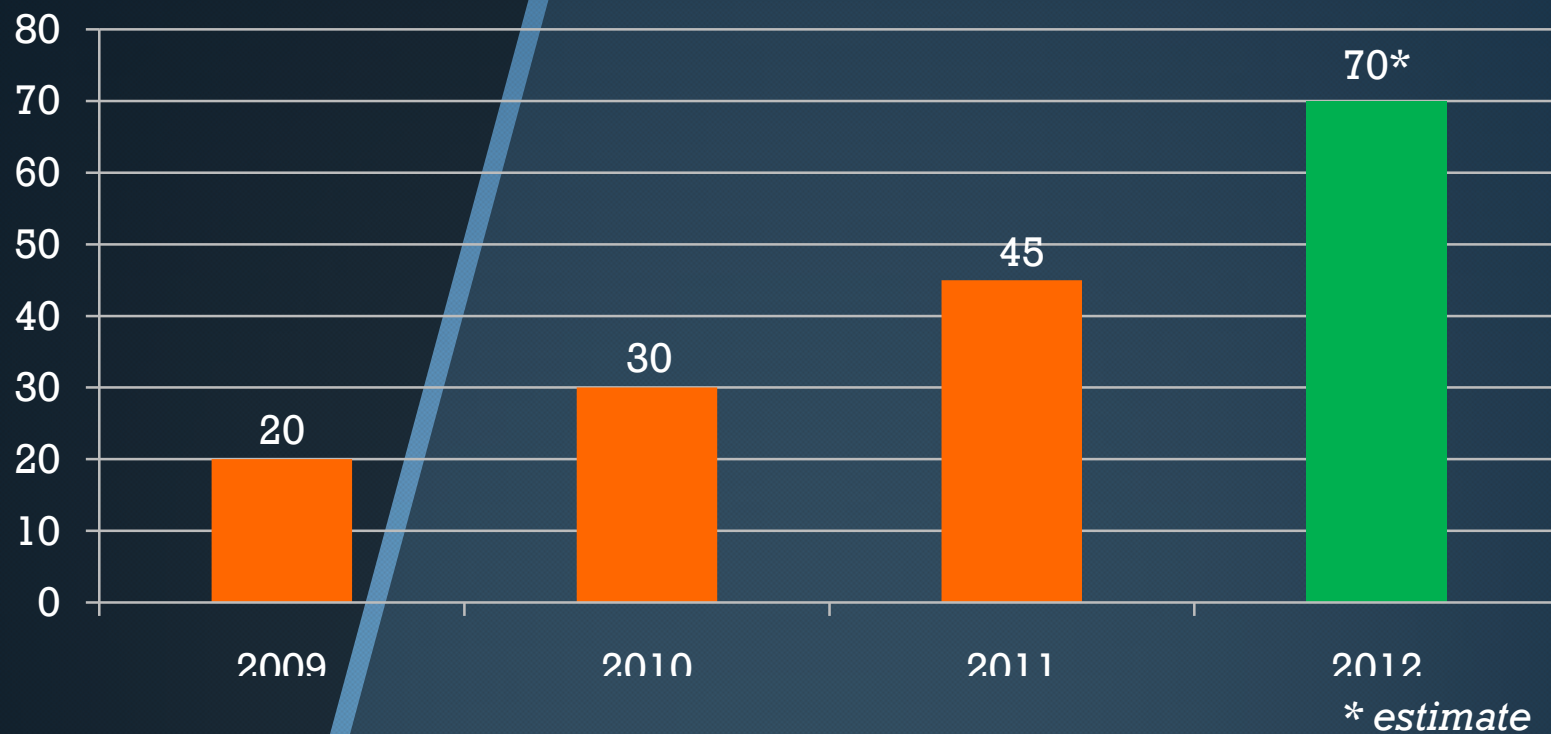


** estimates*

Russian E-Money Association, 2012

5

Number of active E-money Wallets, mln



Russian E-Money Association, 2012

Electronic Money Russian Law “On National Payment System”

E-Money adsorbs prepaid cards and mobile payments

E-money are “equal in rights” with bank payments

Only banks can be issuers

E-Money opportunities



P2P and retail payments



Loan repayments



Remittances



P2G payments



Many other types of
services



Number of Mobile commerce users in Russia is likely to amount to 10 mln in 2013



Payments for goods and services



p2g: fees, fines



Transportation, parking, road tolls



Remittances and microloans

Mobile Remittance



Prepaid funds can
be used both for
mobile service
and payments

Of course, better to have them predefined, with all recipient details

Using electronic payment kiosk



1. Choose a service



2. Deposit cash



3. Payment is done

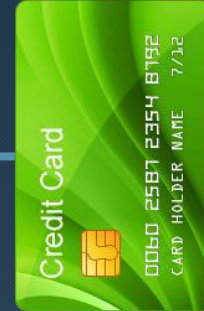
Payment kiosks in 2012

- **250 thousands** of Kiosks
- **5 blns** of payments proceed
- QIWI capitalization is \$1.7 bln
- However, kiosk are giving up to wallets



Client would not care which instrument to use and where money is kept.
He wants just pay.

Card is an universal interface



Card is an universal interface



Card is an universal interface



Card is an universal interface



Bonus
cards, transportati
on, anything
else?....

Card is an universal interface



Card is an universal interface



E-Wallet: Funding options, one step



E-Wallet as universal interface

skype

★ Popular Billers List

★ Мой мобильный

Edit

Applications

Top up

Pay

Withdraw

Skype

<http://www.skype.com/intl/ru/home>

Логин

Payment method:

47.83 RUB

Amount

0 00 USD


Comments

Pay

Messages

QVC 4890****4135

QVP QIWI Visa Plastic

 **Bank cards**

VISA 427655*****6659

+ Add Change

Антивирус Касперского

Активировать





News

VQW for Windows Phone

Your cell phone or tablet can be a real wallet! Download free Visa QIWI Wallet app for Windows Phone right now and enjoy shopping!

[Online Loans in Visa QIWI](#)

Payment available methods:



Commission: 0%

Minimum payment amount: 0.05 usd.

Maximum transaction amount including fees: 500.00 usd.

21 Main trend: Hybridization with banking products - Cards 2.0



Mobile prepaid
payment card



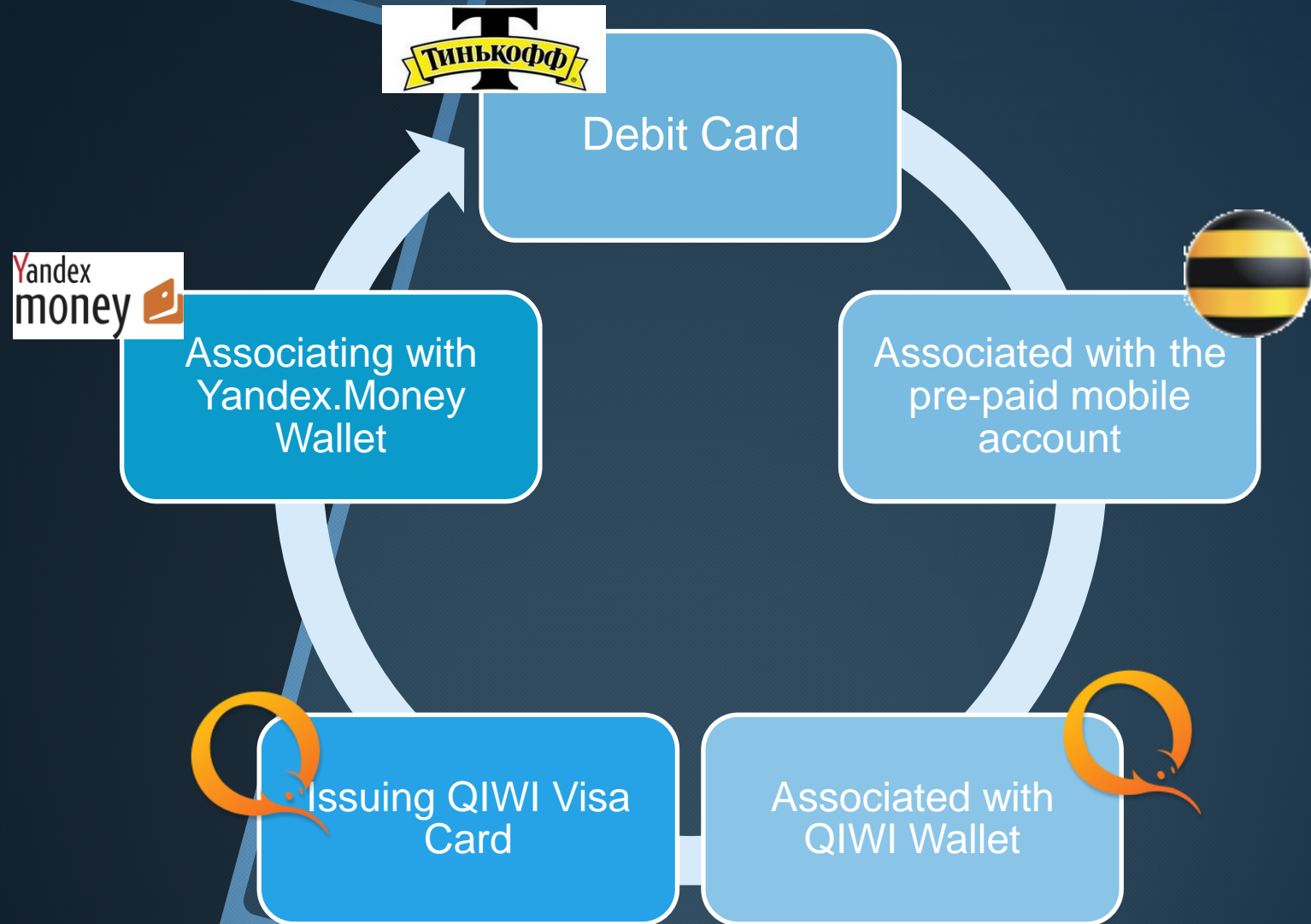
Prepaid e-
money payment
card



Virtual Cards
tied to
the e-wallet

Hybridization

22





**New on-line loans
technologies
arrive:
p2p, remote, instant**

New regulation challenges

Timeframe for rollout of new technologies is shrinking

Cross-boarder issues

Hybridization

'Payments', "Loan" and 'Money' notions are getting increasingly blurred

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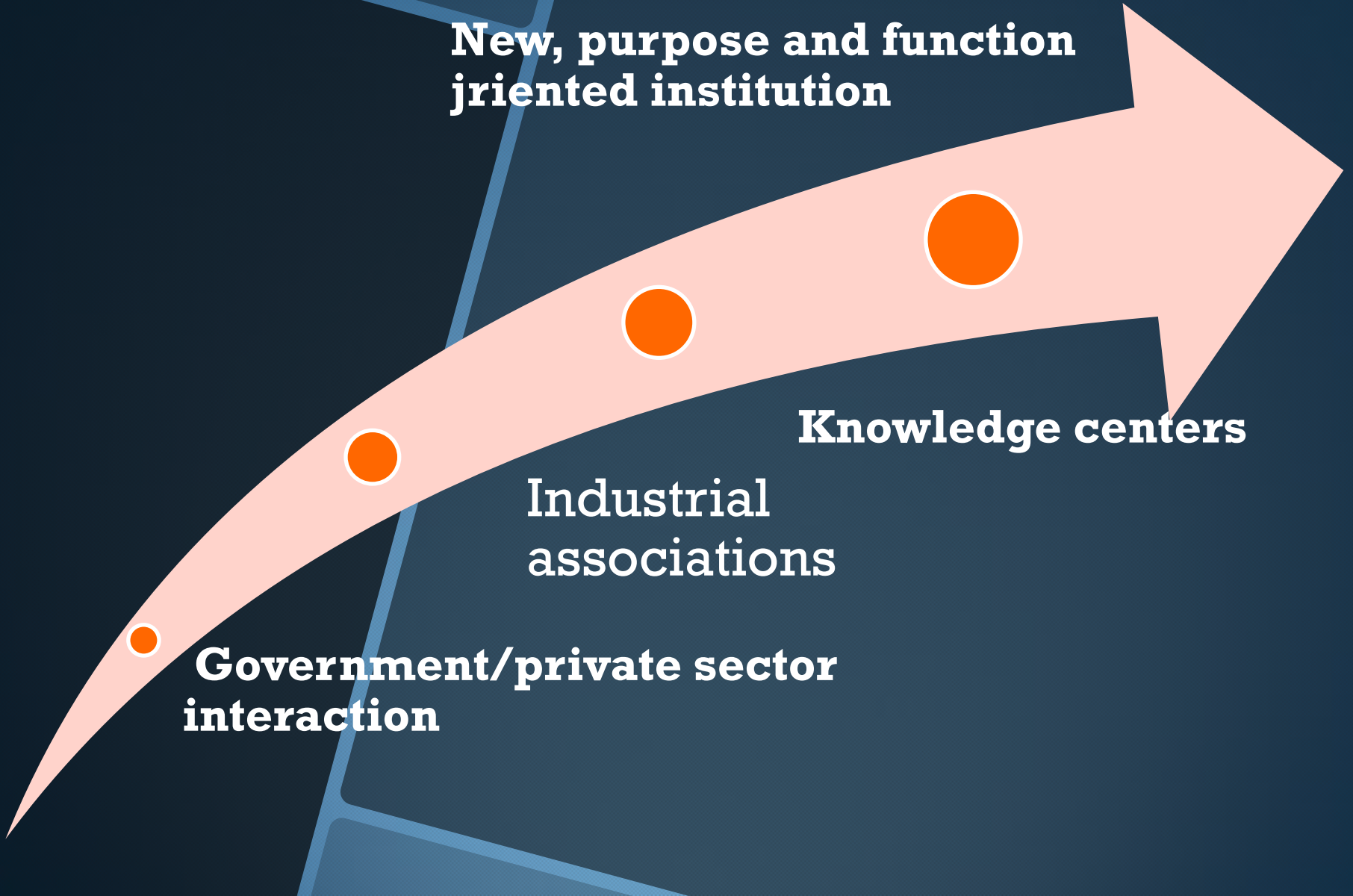
Our responses

**New, purpose and function
oriented institution**

Knowledge centers

**Industrial
associations**

**Government/private sector
interaction**



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