

STATE OF INSTANT & INCLUSIVE PAYMENTS SYSTEMS PESALINK CASE STUDY

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WHY?

Lack of a real-time solution within the retail banking system.

High cost of transactions

Limited banking hours for large value transactions

Available options had limitations on amounts

BACKGROUND



Conceptualized

KBA with FSD K's support - 2016



Feasibility study- Real time payments infrastructure 2016

Economic
Technical
Operational
schedule



Business case

Business Case Evaluation and
Technical Implementation
2017



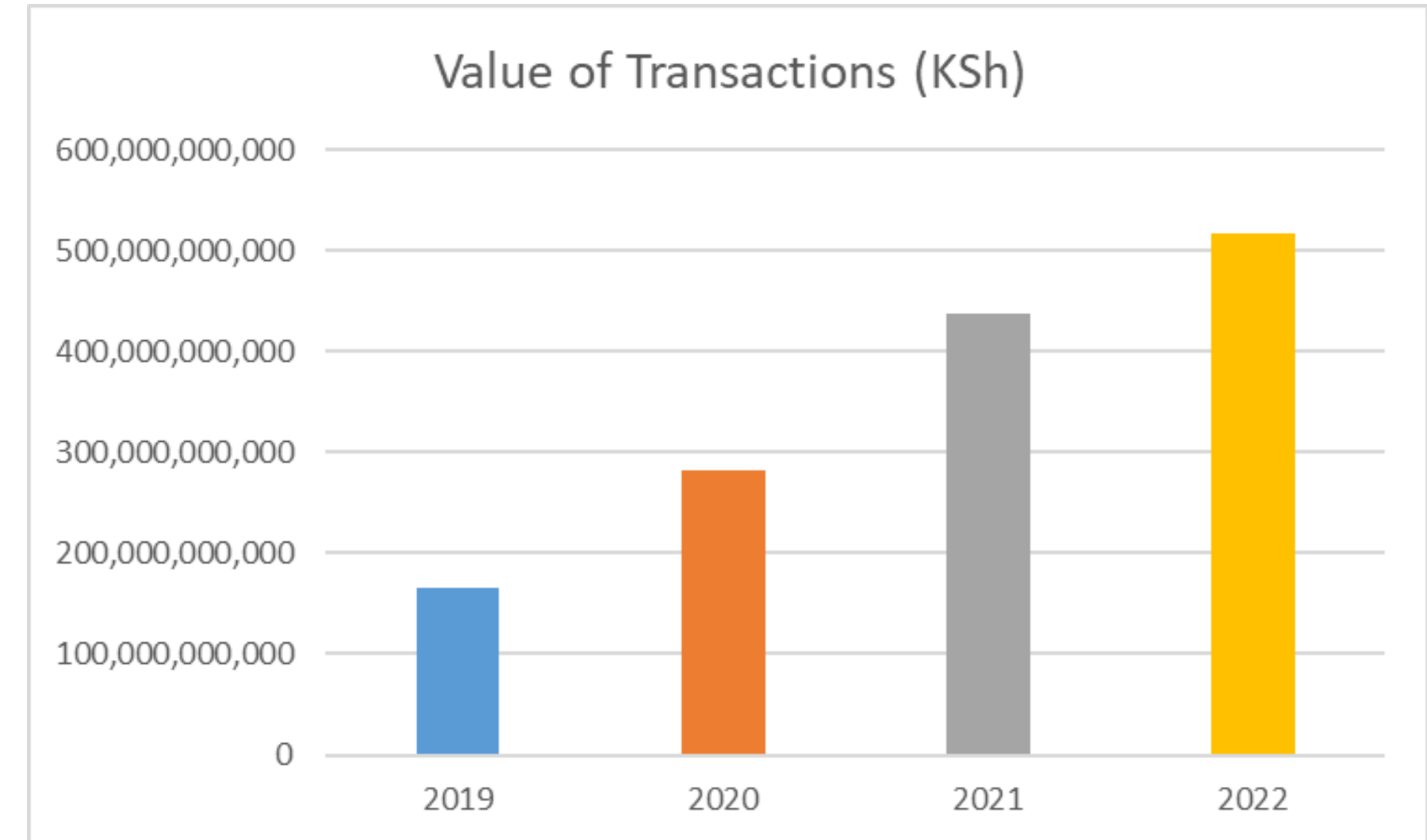
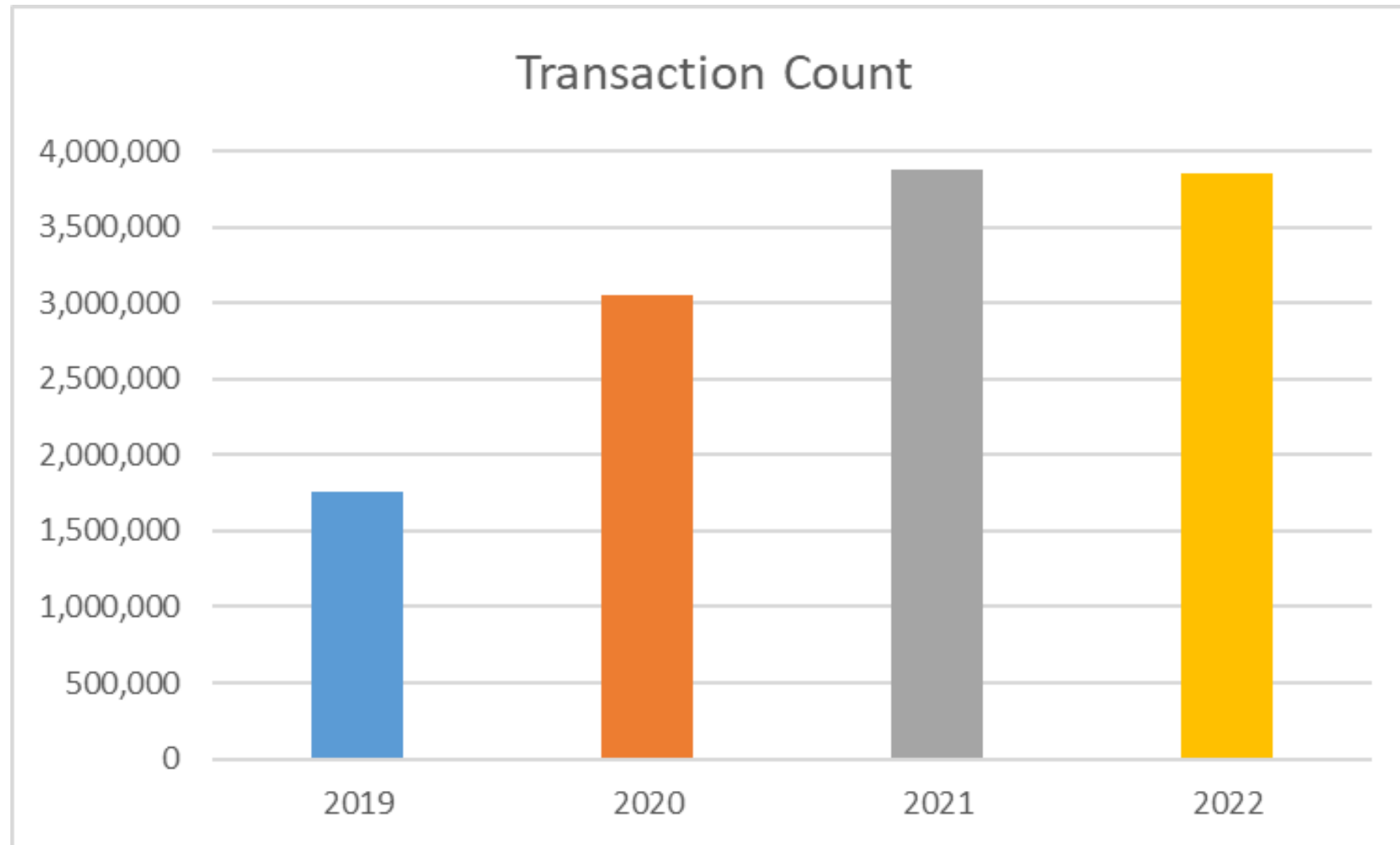
Project set up & implementation

Operationalised



Easy . Affordable . Instant .

- + ●
-
- Real-time A2A solution for retail banking
- Transfer up to KShs.999,999
- Accessible through participant channels
- Provide increased convenience for consumers
- Reduce the overall cost of transactions
- Provide open-loop ecosystem to facilitate financial inclusion



3.8 million transactions valued at almost KES 500bn in 2022.



Growth in Transactions

~ 57% average YoY last 3 years



ISO 20022 Compliant

1st of our kind in Sub Saharan Africa!



Growth in Revenue

~ 102% average YoY last 3 years



> 6.5M Enabled Consumers

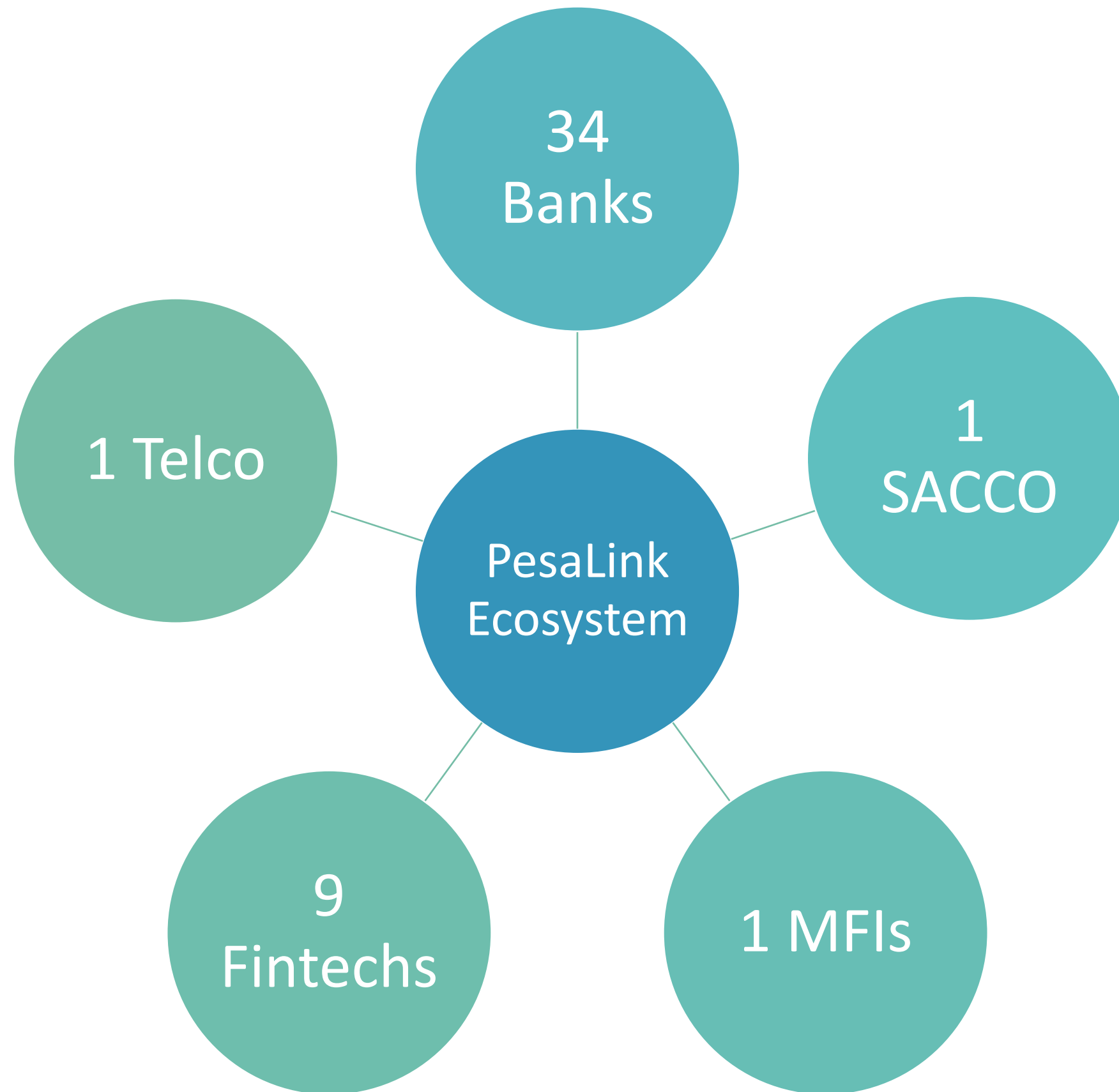


34 banks and 1 telco integrated

> 90% of all banks accounts

- Fully owned by members of the Kenya Bankers Association made up of all the Banks in Kenya
- Registered as a PSP & Regulated by Central Bank of Kenya in accordance with the National Payment Systems (NPS) Act ,.
- The Governing Council (GC) constitutes the CEO of banks and it's the highest decision-making body on matters that pertain to the scheme.
- Management team that oversees day-to-day operations of the Scheme





- Participation is open to all licensed entities
- Categorized in terms of connection (directly or indirectly) & settlement

Settlement

- Settlement agent – CBK
- Twice daily on a net basis
- KShs

Bank channels

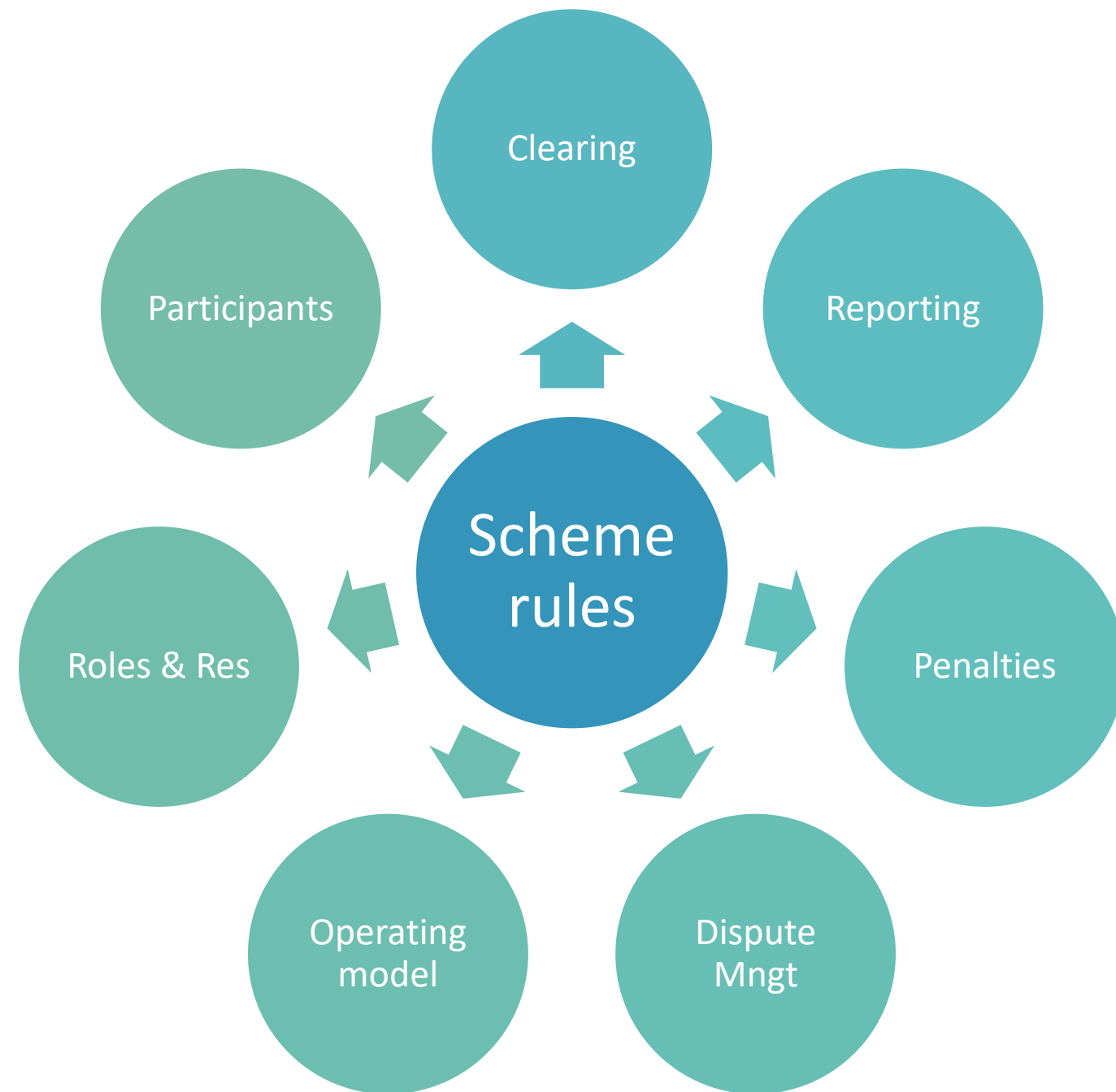
- App
- Web
- USSD

Identification

- Phone number which facilitates account linking

Technical standards

- ISO 20022 messaging



- A robust set of scheme rules is critical in ensuring the good governance, operationalisation and success of any payment scheme
- Approved by the KBA GC for adoption and implementation by the Banks in 2022
- Govern how participants play in the ecosystem.
- Includes penalties where there are breaches
- Adherence leads to overall performance of the ecosystem.

Current Use Case



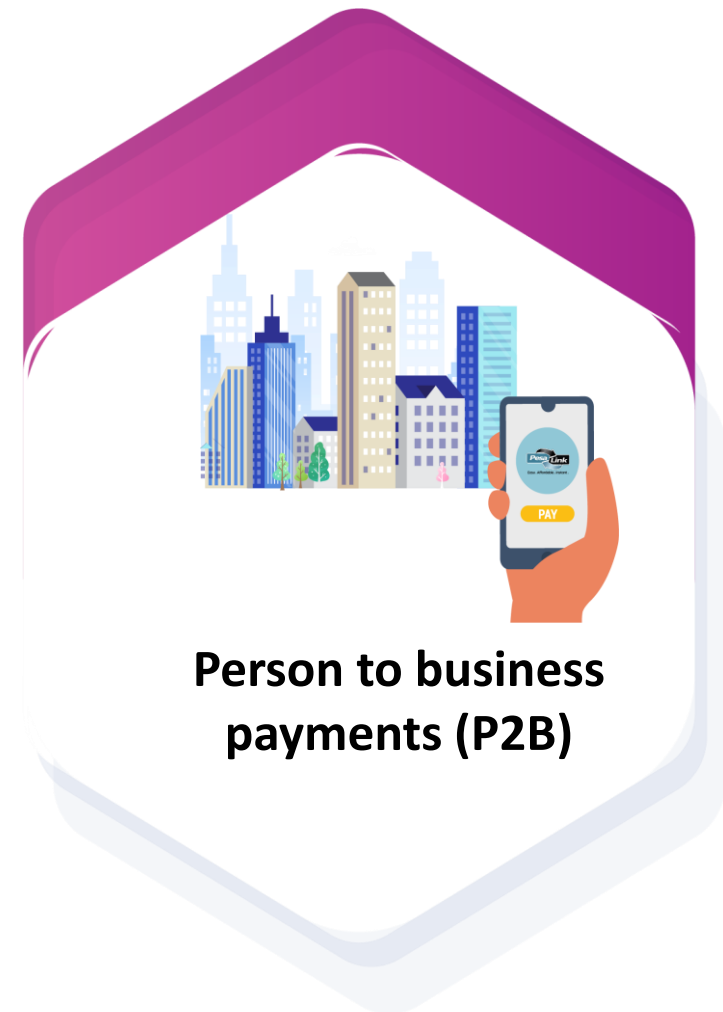
Account to Account (A2A)

The illustration shows two hands holding smartphones. The left hand is tapping a 'SEND' button on a screen, and the right hand is holding a screen that says 'RECEIVED' with a green checkmark. A stream of money is shown moving from the left phone to the right phone.



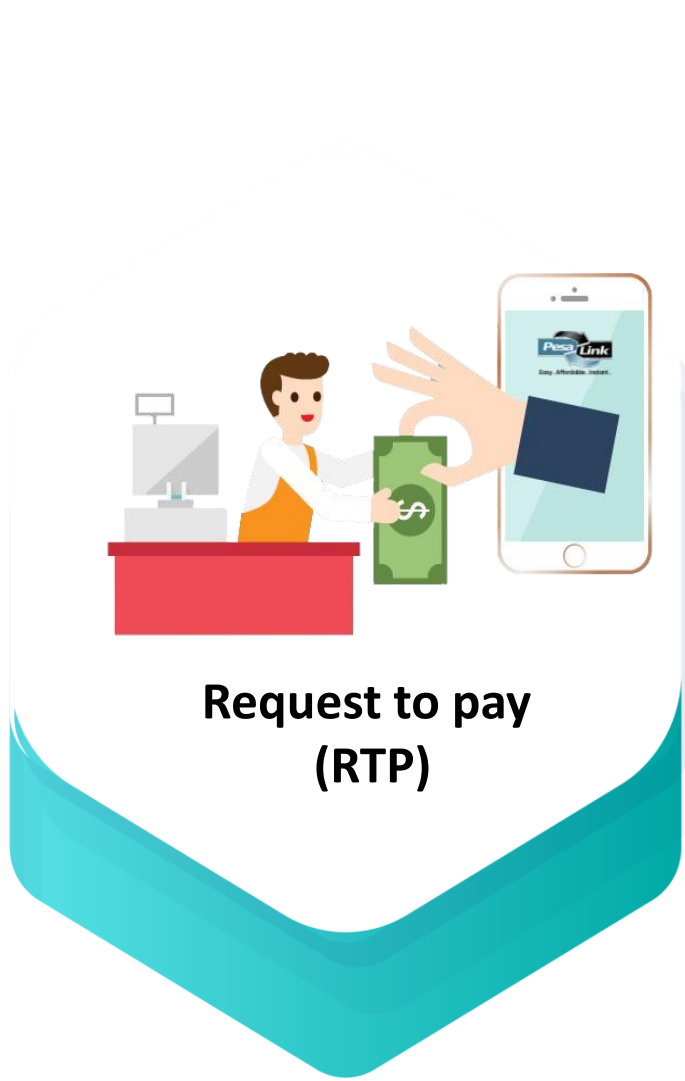
Person to merchant (P2M)

The illustration shows a person standing at a counter with a merchant. The person is handing a smartphone to the merchant, who is also holding a smartphone. A sign with the number '2' is visible in the background.



Person to business payments (P2B)

The illustration shows a hand holding a smartphone with a 'PAY' button on the screen. In the background, there is a cityscape with several buildings.



Request to pay (RTP)

The illustration shows a person at a desk with a computer monitor. A hand is holding a smartphone with a 'PesaLink' logo and a 'PAY' button. A green banknote is being held next to the phone.



Agent cash in/out

The illustration shows a woman in a red dress handing a \$99 bill to a man in a white shirt and tie. The man is holding a \$100 bill and a smartphone. A \$100 bill is also shown being handed from the man to the woman.

Tomorrow's Use cases:

OPPORTUNITY

- Expansion of use cases > Inclusion
- Reduced transaction costs.
- Enhanced user experience through adoption of standard experience guidelines
- Enhanced security – Collaboration with partners and agencies
- UX/UI Standards and build consumer confidence
- Improved operational efficiency
- Leverage data to identify unique trends

THANK YOU



Easy . Affordable . Instant .