

Mobile Commerce and Payment Delivery in Asia

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Key Driver of Mobile Commerce

90.5 Million total Philippine Population*

71.2 Million total mobile subscriber base*

37.5 Million Smart subscriber base

90% of total population - D/E Social Class**

37.5 Million Smart subscriber base

25.7 Million MNO #2 base

8 Million MNO #3 base

98% Prepaid subscribers

2% Postpaid subscribers

Work
 Trading
 Services
 Backyard Manufacturing
 Livestock
 Crop production

Financing
 Microfinance
 Rural Banks

**As of end 1Q 2009*

***From Pulse Asia*

Global Realization of Mobile Commerce Expansio



Mobile Money
Summit 2008

Cairo, Egypt
14 - 15 May 2008



The rapid growth of mobile phone use for financial transactions is creating a rare opportunity to expand markets and transform lives.

Globally, mobile banking can bring low-cost financial services to millions of people, especially in developing countries where banking services are not readily available.



The **ASIAN BANKER SUMMIT**
TECHNOLOGY and OPERATIONS ANNUAL MEETING

Building M-commerce Ecosystems



Mobile
commerce
engine



Sources of
funds



Products
and
services



Places to
shop and
transact



M-Commerce Philosophy – Focus on Enablement

Regulator



Service Owner
Card Issuer



Value sits at the Bank and reflected in the General Ledger

Outsourced Provider



Smart Money Use cases and Functionality

Smart Money Wallet (Optional)*

The wallet represents subsidiary ledger values of individual accounts

SMART as Enabler of Mobile Commerce

MOBILE COMMERCE: Two Channel Devices



MOBILE DEVICE

Mobile Banking, 2000



BANK ISSUED E-WALLET

SMART Money, 2001

SMART as Enabler of Mobile Commerce

MOBILE BANKING: A Bank Channel

- Balance Inquiry
- Transfers
- Bills Payment
- Airtime Reloads
- Last 3 Transactions
- Change m-PIN
- Text Bank
- Call Bank
- Extras



DIRECT CONNECT BANKS



NETWORK MEMBERS

MEGALINK:

DBP
Bank of Commerce
Asiatrust Bank
Maybank
Premiere Bank
Robinsons Bank
GE Money Bank

BANCNET:

Allied Bank
Citystate Bank
Asia United Bank
Security Bank
Chinatrust Bank
RCBC


SMART as Enabler of Mobile Commerce

SMART MONEY - eWallet




- 2000** Pioneered - Mobile Banking
- 2001** Pioneered – SMART Money
- 2001** Awarded GSMA Most Innovative Wireless Service
- 2001** Awarded Mastercard Most Innovative Service

e – Wallet Account




- 2004** Launched SMART Padala
- 2004** Finalist: Asian Innovation Award
- 2004** Finalist: Far Eastern Economic Review
- 2006** Finalist: Stockholm Challenge
- 2008** Smart Money 6M Active Users
- 2008** ONLY Philippine Company Awarded the UNDP-WBDA Millennium Dev Goals Award



- Balance Inquiry
- Withdraw
- ATMs Networks
- Merchant Purchase
- Balance Inquiry
- Change PIN

- Balance/Loyalty Points
- Reload Prepaid Phone
- Transfer/Purchase/Withdraw
- Pay Bills
- Redeem Loyalty Points
- Remote Purchase
- Lock/Unlock/Change PIN
- Secured Transactions

SMART's M-Commerce Ecosystem

Places to Spend, Withdraw, Transfer, Load

37million mCom Ready Subs

900,000 Smart Retailers

3,000 Fulfillment Centers

30,000 Merchants

Partner Bank Branches

7,000 ATMS

WWW

Products & Services to Sell, Pass along or Trade

Manufacturing,
Distributors,
Dealers

Smart Hub
Inc

Sources of Funds

5 Smart Money Banks

Megalink/Bancnet Banks

Credit Card Gateway

Retail Smart Money

Smart Money Reloading

Corporate Smart Money

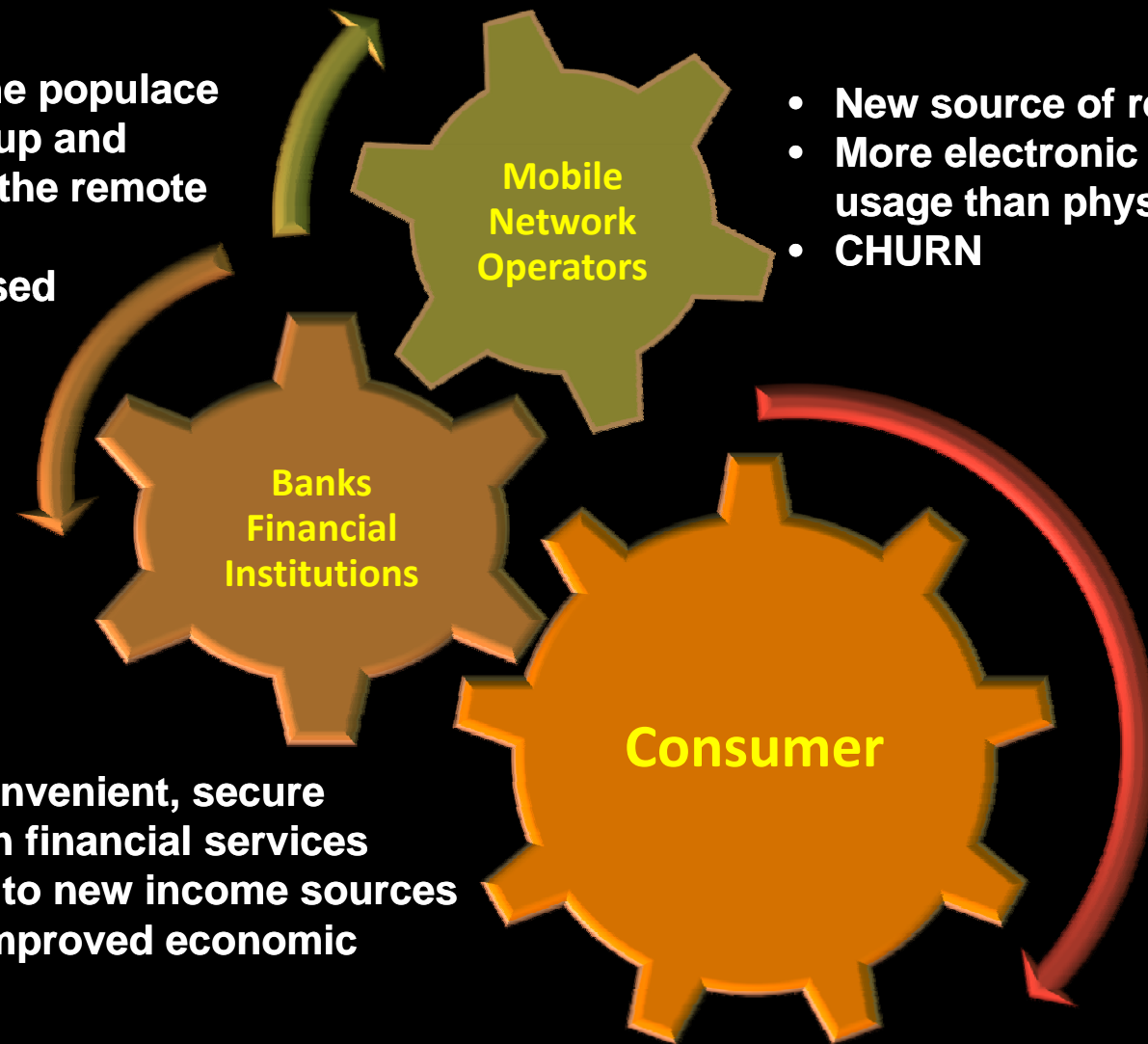
SMART Billing System

PLDT Billing System

Ecosystem Partnership Value Propositions

- Reach more into the populace
- Lower banking setup and operating costs in the remote areas
- Building mass- based financial services and products

- Affordable, convenient, secure alternatives on financial services
- Better access to new income sources
- Options for improved economic conditions



- New source of revenues
- More electronic value usage than physical cash
- CHURN

Thank you and good day!
Thank you and good day!