



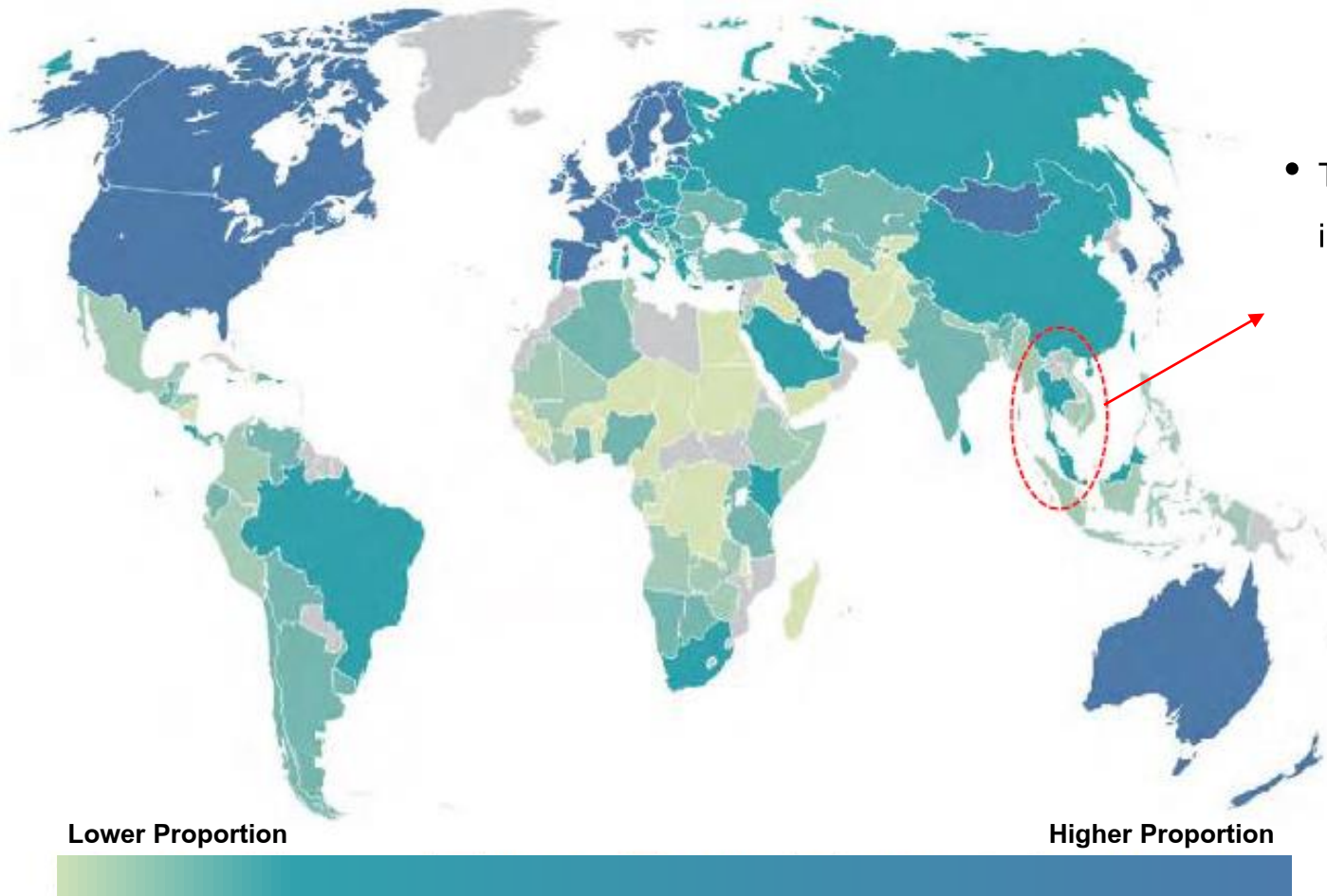
Session I: Business Opportunities of Digital Financial Inclusion Models

11 September 2017

Where do we stand now?

1. Global Financial Inclusion

Proportion of Households that Have Saving Account with Financial Institutions



- Thailand ranked the 3rd in ASEAN

Source: The Global Findex Database 2014: Measuring Financial Inclusion around the World, World Bank

2. Thailand's Financial Inclusion

Financial inclusion in 2016 : Access to Services



Financial Services



Funds Transfer & Payment Services



Deposit Services



Loan Services (excludes credit cards)



Source: Bank of Thailand

Service Channels



Commercial banks and
specialized financial
Institutions



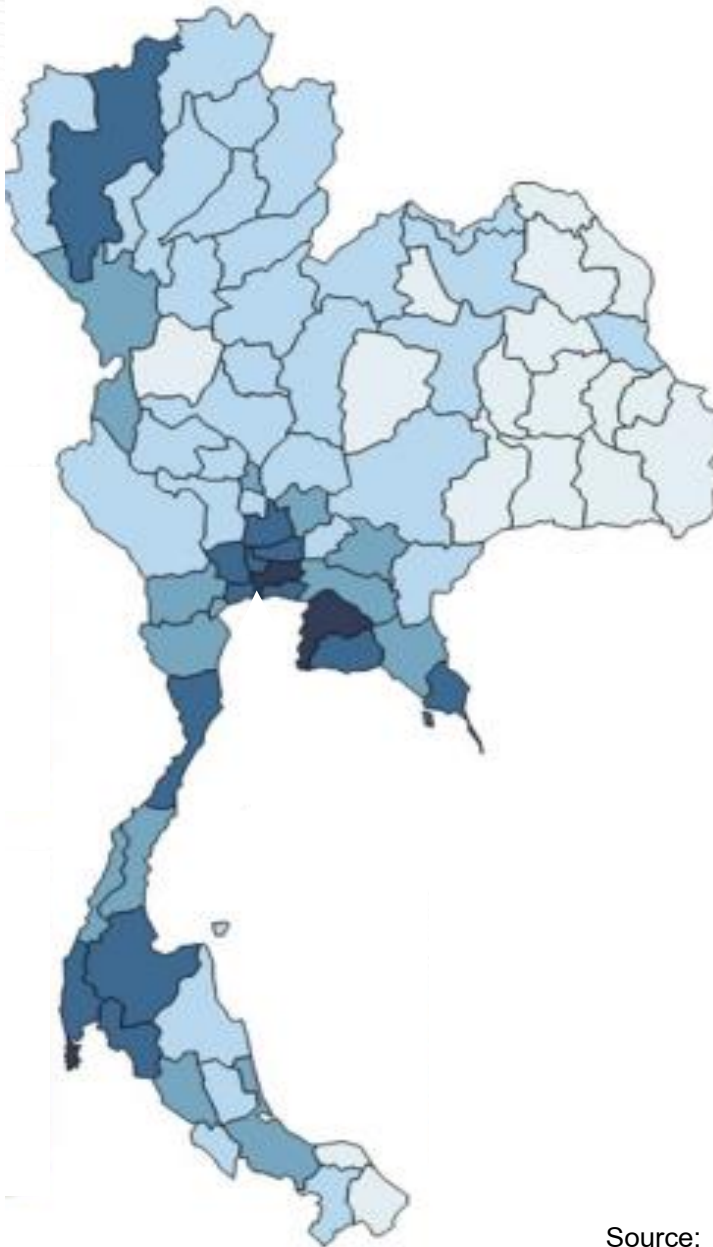
Housing Fund and
Saving Cooperative



Convenient stores/
Supermarkets



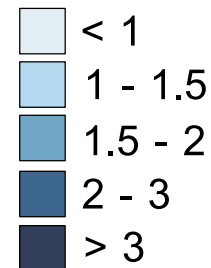
Electronic channels such as
mobile application and
Internet



Dispersal of Commercial Banks and Specialized Financial Institutions in 2016

- Service channels are still concentrated in urban areas.
- Costly to access financial services.

Number of banches per 10,000 adult popluation



Source: Bank of Thailand and Department of Provincial Administration

Adoption of Smartphone



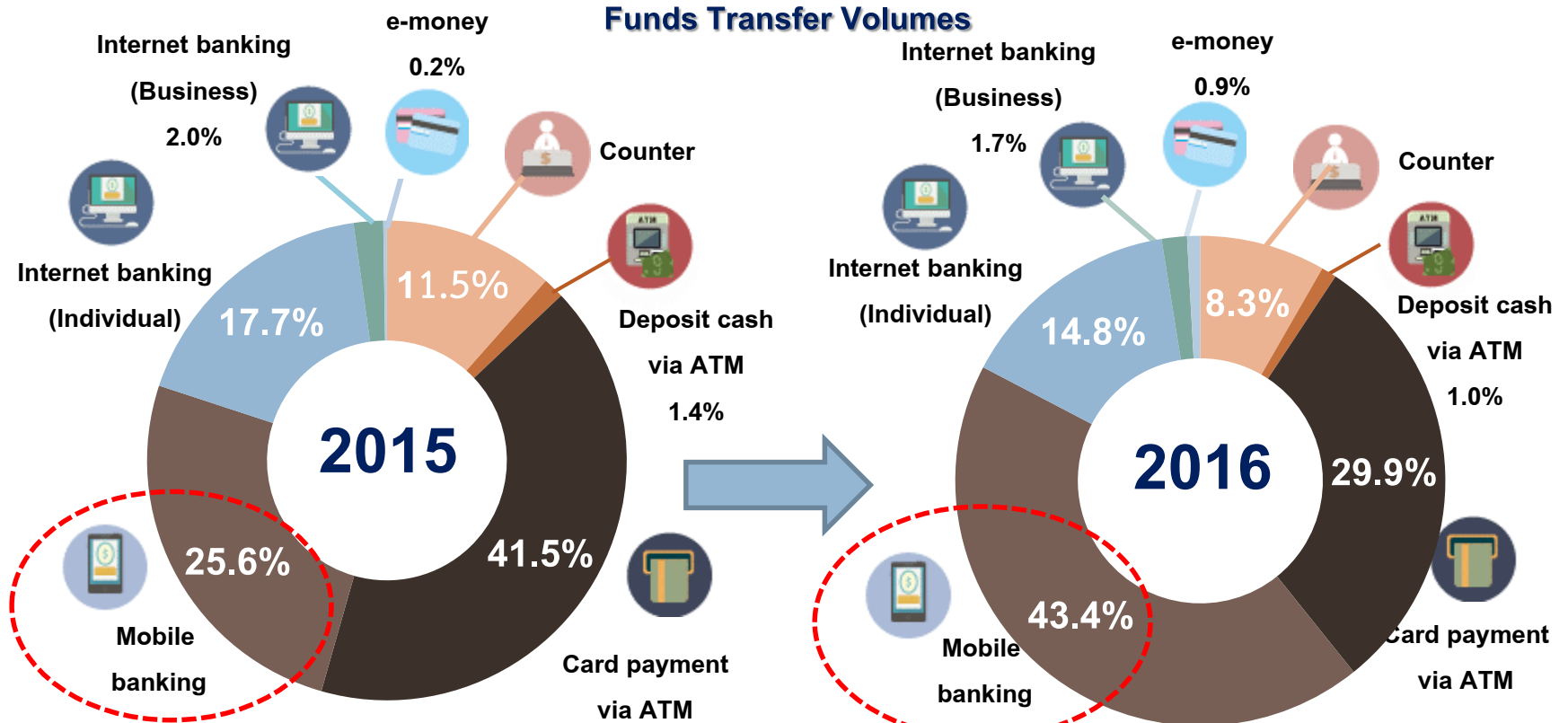
16% Smartphone Sales Growth in 2016



33+ Million Users

Adoption of Mobile Banking

Funds Transfer Volumes



Significant increase in mobile banking usage in Thailand

Source: Bank of Thailand

How to Support Financial Inclusion?

Transform towards Digital Thailand



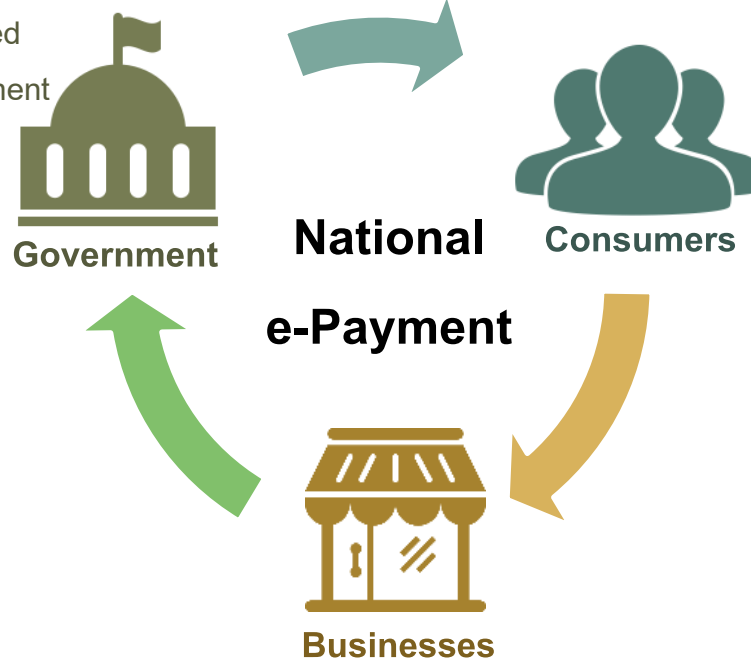
“**Digital Thailand** refers to the country’s brilliance in taking full and creative advantage of digital technology to develop infrastructure, innovation, data capability, human capital, and other resources, thus propelling the country’s economic and social development towards stability, prosperity, and sustainability.”

National e-Payment Master Plan

Create an efficient and integrated e-Payment infrastructure

- To facilitate payment transactions of all sectors
- To enhance electronic tax information and social welfare disbursement

- **Greater reach** to target group in need
- **More transparent** welfare disbursement
- **More efficiency and reduce cost**



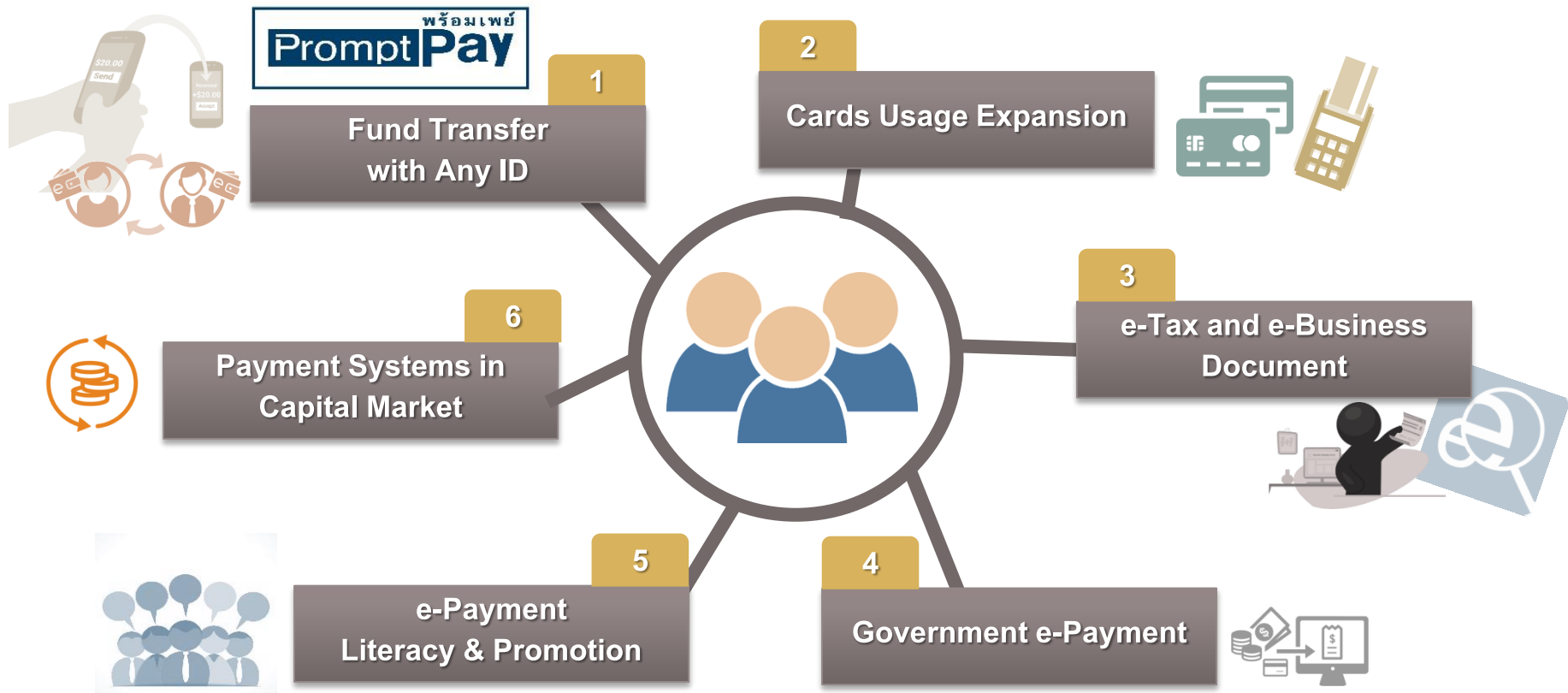
- **Greater access** to financial services at more reasonable prices
- Less need to carry cash – **more convenient and safe**
- Receives social welfare **faster**

- Accept e-payment at **lower costs**, enhancing customer service
- **Reduction of time and costs** for businesses
- **Faster** invoicing and payment transactions

National e-Payment Master Plan

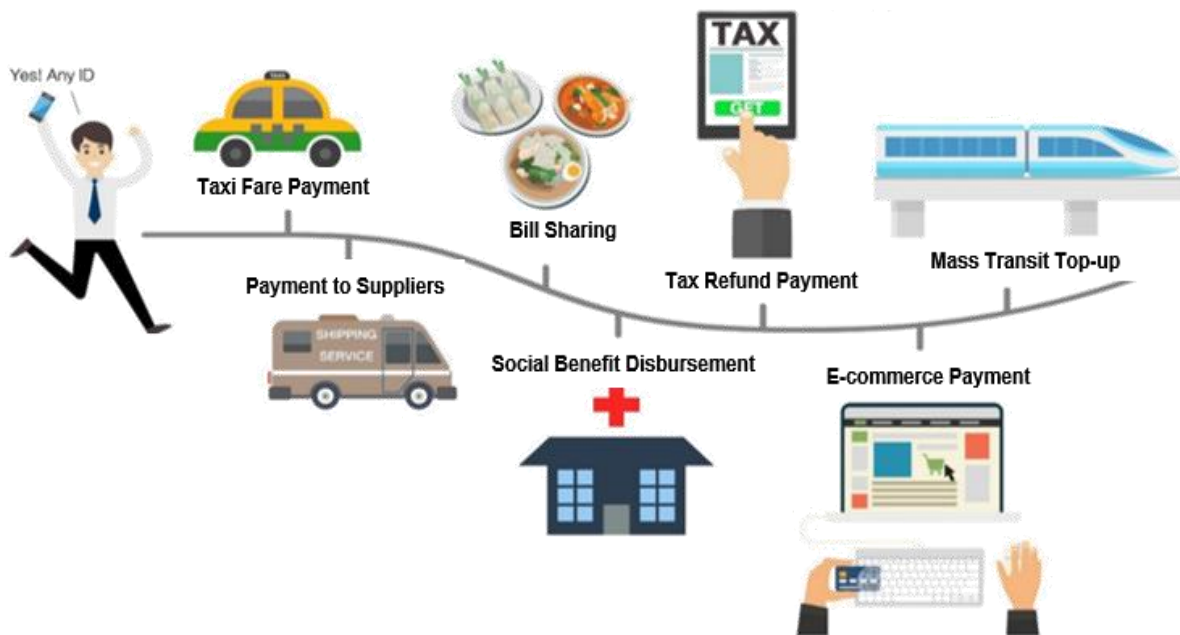
Create an efficient and integrated e-Payment infrastructure

- To facilitate payment transactions of all sectors
- To enhance electronic tax information and social welfare disbursement





Easily transfer with mobile phone numbers or citizen ID numbers



Improve financial access for Thai people at lower costs



Support e-commerce and promote e-business



Facilitate government policies (common ticketing, e-Tax, welfare disbursement, etc.)

Current Status: 32.3 million IDs registered and total transfer volume of 20.12 million transactions.

“Card Usage Expansion”

Change Thai people’s payment behavior from using cash to using debit card for payments

Strengthen **debit card usage**



Encourage merchants to have **EDC terminal**



Benefits

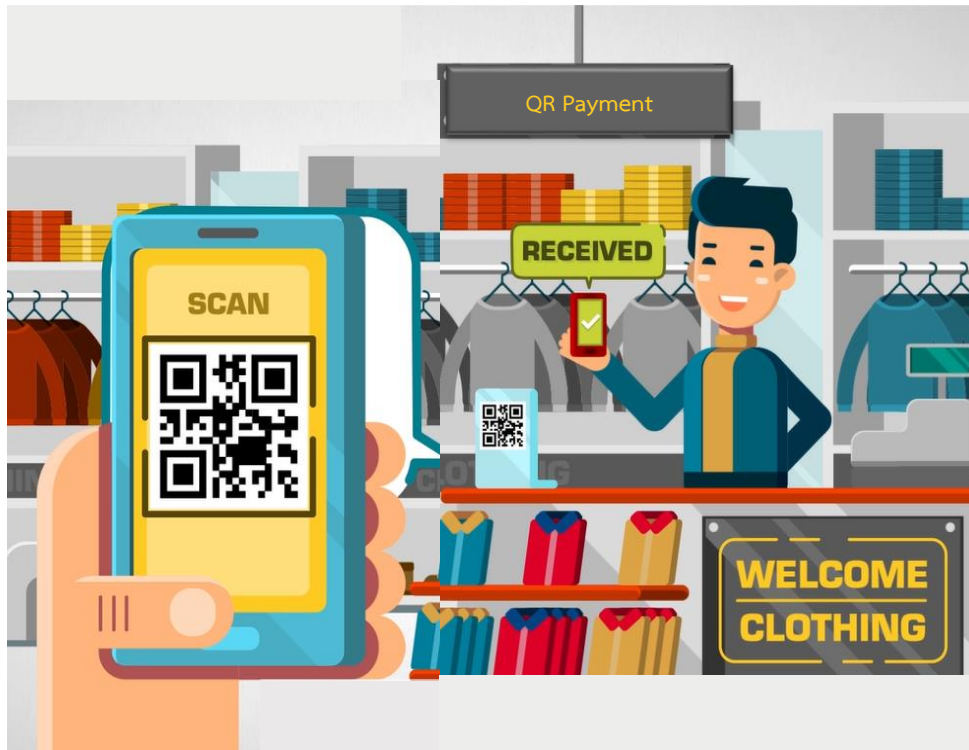
Users

- More convenient and safe
- Reduce risk of holding cash
- Chance to win the prize from lucky draw campaign (June 2017 – May 2018)

Merchants

- Increase sales opportunity
- Reduce risk from cash handling
- Chance to win the prize from lucky draw campaign (June 2017 – May 2018)

QR code standard for payments



Consumers have convenient, cost efficient, and safe payment channel



Merchants have lower business costs and can accept payments from various sources



Service Providers have lower investments and a level playing fields

Initiatives Fostering Innovation and Inclusion in Thailand

“Collaboratively build the ecosystem and enhance the competitiveness capability for sustainable Thai financial system of all stakeholders in both short and long term.”

PromptPay

No. of PromptPay subscribers



Transferred Volume
20 M

Total Value
THB 77 BN

as of June, 2017

Retail Consumer Fund Transfer Per Transaction

Not exceed 5,000 THB	Free of Charge
> 5,000 - 30,000 THB	Not exceed 2 THB
> 30,000 - 100,000 THB	Not exceed 5 THB
> 100,000 – Max amount	Not exceed 10 THB

No limitation on number of transactions

Standardized QR Code



Challenges Ahead

To Create
Supportive
Ecosystem for
Financial
Innovation

To Promote
Shared
Infrastructure
and
Interoperability

To Ensure
Cyber
Resilience

1. Supportive Ecosystem for Financial Innovation

Financial Inclusion

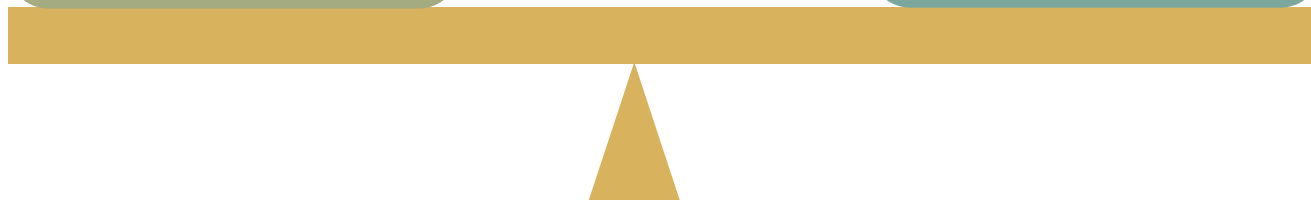


Innovation
Development

Financial Stability



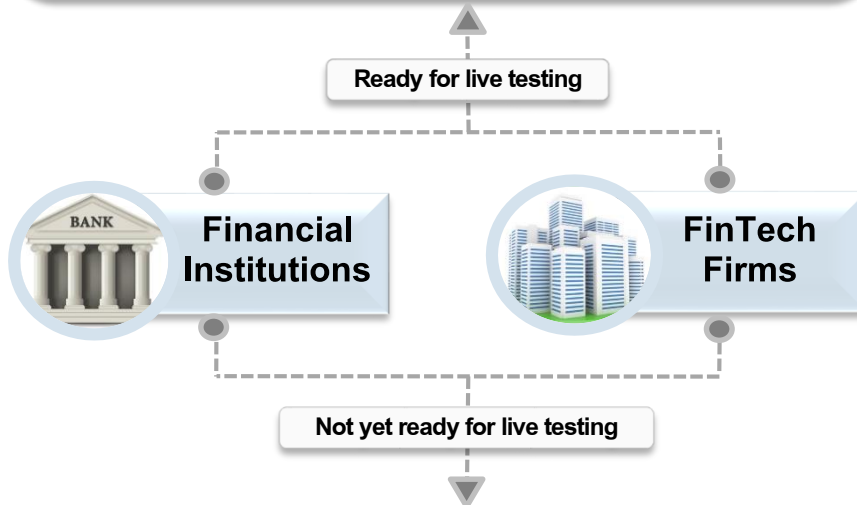
Risk Management
and Consumer
Protection



Central Bank Policies

Regulatory Sandbox

- Controlled environment to test innovative financial products/services in the real market, on agreed terms
- Relaxed regulatory barriers
- Encourage collaboration between FIs and FinTech Firms



FinTech Community

- **Incubators:** Provide funding / business guidance working space / data for testing etc.
- **Regulators:** Provide regulatory guidance



Service Provider

learn to develop and test their services in a controlled environment



Central Bank

learn to support developments and innovations with flexible regulatory framework

2. Shared Infrastructure and Interoperability

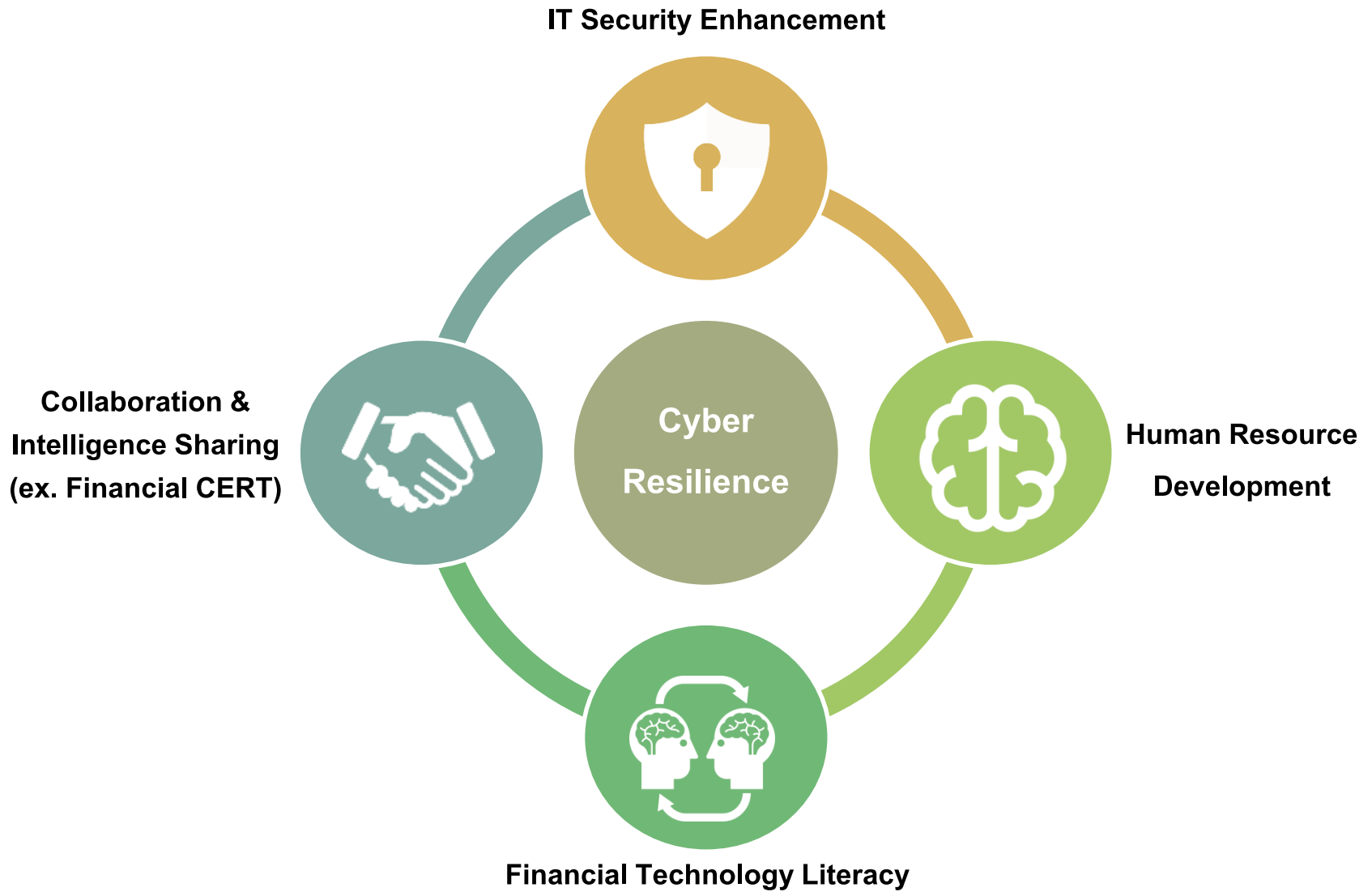
Collaboration to adopt QR Code standard for payments



The first time that the five international payment card network providers agreed to work with financial service providers to use the same QR standard



3. Cyber Resilience



Thank You

