

Telenor Microfinance Bank and Pakistan Tobacco Company Limited to Digitize Retailer to Distributor Payments



ISLAMABAD – May 27, 2019: Telenor Microfinance Bank (TMB) and Pakistan Tobacco Company Limited (PTC) have signed a Memorandum of Understanding (MoU) to digitize retailer to distributor payments. This understanding will go a long way in developing a safe, secure and robust cashless digital payments ecosystem for retail and distribution channels. Furthermore, in line with the bank's financial inclusion goals, the MoU will eventually allow small retailers who lack access to credit to avail Easypaisa loans thereby encouraging the unbanked to become part of the formal banking system.

This project will be implemented in three phases: During the first phase, an implementation of a digital payments system shall take place for retailers and distributors; in the second phase, retailers will begin accepting digital payments from end consumers followed by the third phase in which Telenor Microfinance Bank plans to roll out a credit facility to eligible retailers.

Both TMB and PTC conducted a three-month pilot project in district Vehari near Multan, which proved to be successful in terms of realizing the immense value addition for both retailers and distributors. A key metric for success was the safety and security of the payments for distributors that led to increased transactions and a decreased exposure to the risk of cash handling. As a result, both institutions decided to extend the project for digitization of payments between retailers and distributors. The solution will eventually enable customers to digitally pay retailers via their Easypaisa accounts.

Commenting on the agreement, Aslam Hayat, acting CEO, Telenor Microfinance Bank, said: "This is an important occasion for us all, as we are aware that the digital landscape is shaping up to disrupt the way we do business. We are one of the pioneers of bringing innovation in the domestic industry and now aim to digitize the market for local players by acting as a catalyst for digital retail solutions in Pakistan".

Syed Ali, Head of Trade & Activation, PTC, added: "Our objective is to help our business partners (distributors) and our customers (retail outlets) to overcome obstacles that hamper the growth of their business. In the pilot stage, this solution has helped us in securing their business transactions and increasing business throughput and providing peace of mind to sales reps".



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About Telenor Microfinance Bank Limited

Telenor Microfinance Bank (TMB) offers Easypaisa, Pakistan's first mobile financial services platform launched in 2009, which is also the first and only GSMA Mobile Money Certified service. Easypaisa has since developed into the largest branchless banking service in Pakistan in terms of agent network, active accounts, and transaction value, according to the State Bank of Pakistan. TMB also provides microfinance and related financial services to the less privileged and unbanked segment of the Pakistani society.

Ant Financial Services Group ("Ant Financial"), an affiliate of Alibaba Group has bought 45% stake in Telenor Microfinance Bank, a subsidiary of Telenor Group, to further develop TMB's mobile payment and digital financial services. This strategic partnership between Telenor Group and Ant Financial combines TMB's knowledge and local market presence and Ant's technology in Alipay, the world's largest digital payment platform, and other financial services, to bring mobile payment and inclusive financial services to individuals as well as small and micro businesses in Pakistan. For more information, please visit: <http://www.telenorbank.pk/>