



Emerging Agent Banking Network Industry in Nigeria

A BUSINESS OPPORTUNITY ANALYSIS
FOR



AGENT SUPERVISING ORGANISATIONS

PRESENTATION AGENDA

- Agent Banking Network Industry background**
- Agent Supervisor Business Opportunity**
- Fiancial Overview and Agent Income Potential**
- Agent Supervisor Business Summary**



OPPORTUNITY BACKGROUND

- ❑ Central Bank of Nigeria has
 - ✓ Granted Licenses to 18 Mobile Money Operators
 - ✓ Released guidelines on Agency Banking in Nigeria
 - ✓ Commenced cashless initiative across Nigeria
 - ✓ Launched Financial Inclusion Strategy for Nigeria.

- ❑ National Identity Management Commission has commenced a new National ID System in partnership with Front end partners.

- ❑ One Network is partnering with NIPOST and key industry players to create a shared services platform and make financial and citizen service locations accessible in every neighbourhood across Nigerians.



INDUSTRY SITUATION OVERVIEW

SEVERAL PROVIDERS

SEVERAL DEMANDS

SAME LOCATION OWNER

Mobile Money Operators

New National ID System

Financial Services

Compulsory Insurance

Utility Bill Payments

State Citizen Projects

Education Services

Public Services

NIPOST

BANKS

TELCO AGENTS

FUEL STATIONS

SUPERMARKETS

PHARMACISTS

MARKET STORES

BARBERS

POLICE STATIONS

RELIGIOUS HOUSES

Open Account
Maintain Float
Brand Location
Train Staff

Acquire Equipment
Display Materials
Provide Connectivity
Uninterrupted Power

ONE NETWORK VALUE PROPOSITION

PUBLIC

SERVICE PROVIDERS

**LESS SERVICE COST
STANDARDISED SERVICE
TRUSTABLE**

LOCATION OWNERS

**LESS ACQTN. COST
MORE EFFICIENT
SUSTAINABLE**



**LESS SETUP COST
MORE PROFITABLE
LESS RISKY**

**FINANCIAL
AND CITIZEN
SERVICES**



THE GAME CHANGING OPPORTUNITY?

25 Million Account Holders

HAVE

5,000 BANK BRANCHES

10,000 ATM MACHINES



160 Million Citizens

NEED

4,000 AGENT SUPERVISORS

170,000 AGENT LOCATIONS



ABOUT ONE NETWORK

One Network is a structured agent management organization and cooperative recognized by the CBN of Nigeria and based on a shared services platform implementation partnership between NIPOST, participating Financial Institutions and licensed or authorized value added service providers.

One Network is building technical infrastructure that will be used to manage a nationwide network of up to **170,000 neighborhood agent locations** that provide public access to citizen and financial services.

Location agents will be administered through an integrated network of about **1,200 area supervisor organizations** in partnership with Post office locations.



COOPERATIVE FRAMEWORK

One Network operates as a Cooperative serving
As agents to various financial and citizen service providers .

Participation is subject to meeting pre-qualification requirements
defined for each identified category as follows.

- ✓ **Area Supervising Organizations**

- ✓ Location Owners

- ✓ Location Sponsors

- ✓ Location Staff





AGENT SUPERVISOR OPPORTUNITY



THE BUSINESS OPPORTUNITY

- ❑ **One Network wishes to appoint qualified area supervising organisations who will sponsor and manage**
 - ✓ **The setting up of an Agent Biometric Registration Center**
 - ✓ **Postal , Financial and Citizen Benefit Service Centers**
 - ✓ **Required ICT and Power infrastructure**
 - ✓ **Qualified Financial Agent Services and IT Support Staff**
 - **attached to any of the Major Post Offices of their area.**

- ❑ **They will also work with the Post Office and One Network to appoint 40 or more location agents for effective service coverage especially for Identity Pre-registration of citizens living within their area of coverage.**



ROLE OF AGENT SUPERVISORS

Pre-qualifies and Documents location agents

Provides daily accounts reconciliation services

Ensures system cash liquidity and float adequacy

Maintaining service standards and procedures

Monitors fraudulent activities and ensure safety



AGENT SUPERVISOR RESPONSIBILITIES

□ Each participating area agent supervisor location is required to appoint 40 or more neighbourhood agents based strictly on provided recruitment guidelines in partnership with NIPOST and One Network based on the following:

- Physical verification of agent locations
- Location qualification based on Accessibility
- Documentation of applying agents
- Conduct of Background check on agents
- Minimum equipment set-up requirements
- Training and Certification of location staff
- Biometric data capture of approved agents



WHO CAN BE AGENT SUPERVISORS?

Organizations with the professional, operation and financial capacity to provide money management, liquidity services , account reconciliation and related location agent support services .

For Example :

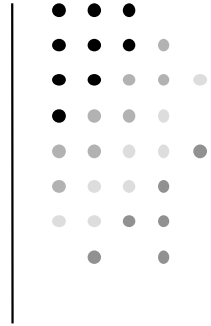
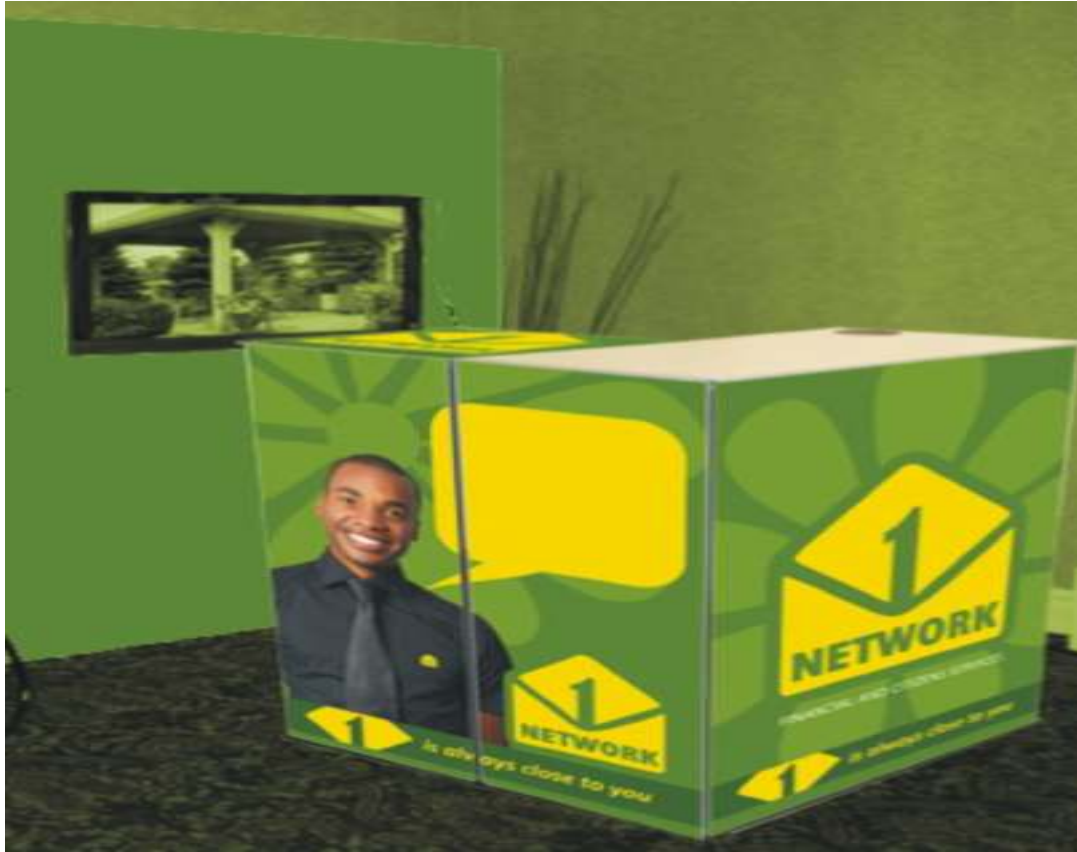
Micro Finance Banks

Regular Bank Branches

Cooperatives and similar Agencies

Experienced Financial Service Professionals

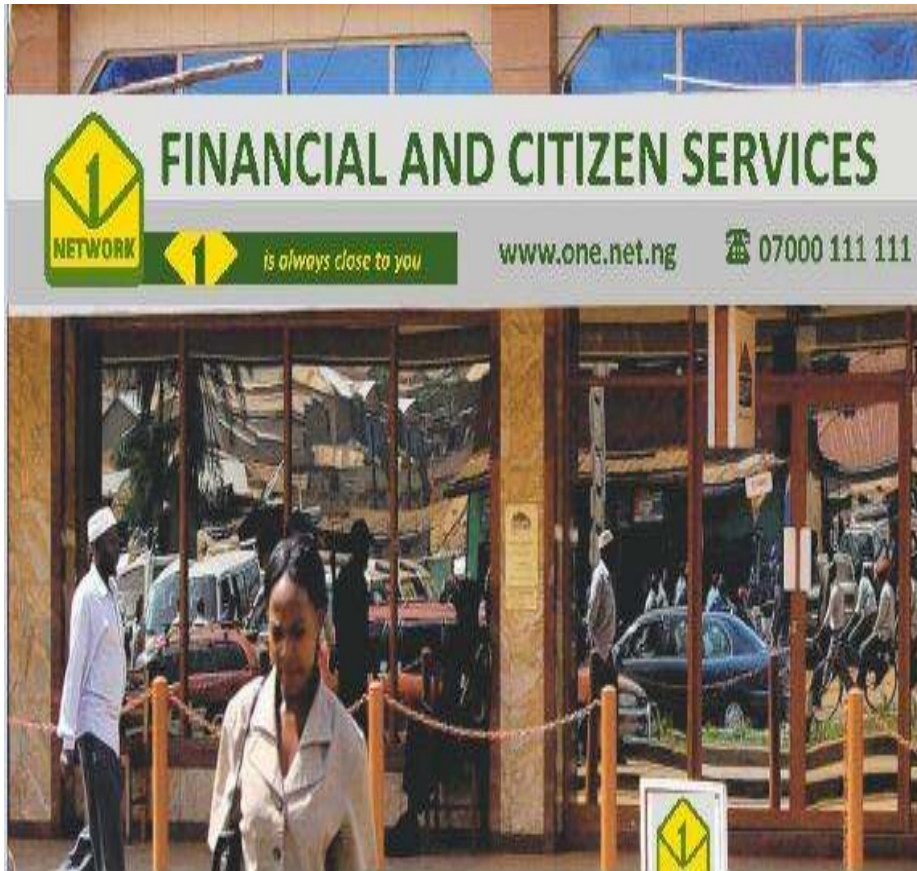




AGENT SUPERVISOR INCOME POTENTIAL



AREA PROFITABILITY OVERVIEW GUIDE



CENTER SETUP COST =N=2.3M

LIQUIDITY =N=3.0M

MONTHLY INCOME
=N=40/40,000 CUSTOMERS

(40 AGENTS @ 30 CUSTOMERS /DAY)

POTENTIAL INCOME :
N1.6M/MONTH

N19M /ANNUM

3 YEAR OVERVIEW/ CENTER:
OUTFLOW: N25M

INFLOW : N60M



AREA SUPERVISOR SETUP COSTS

Agent Identity Biometric Setup	1350000
Connectivity	180000
Location and Networking	250000
Backup Power	120000
RENOVATION	200000
Setup Fees	210000
TOTAL	2310000



AGENT BIOMETRIC SETUP COSTS

Enrolment Equipment for Agent Locations	Qty	Unit Amount (N)	Total Amount (N)
Computer	1	150,000	150,000
Stand alone Monitor	7	30,000	210,000
Web Camera	1	20,000	20,000
Signature Pad	1	30,000	30,000
Barcode Reader	1	70,000	70,000
4-4-2 Scanners	1	225,918	225,918
Document Scanner	1	20,000	20,000
Printer	1	40,000	40,000
UPS	4	10,000	40,000
Lighting	1	20,000	20,000
Internet Modem & wireless access points	1	30,000	30,000
External Hard Drive	1	15,000	15,000
Face Lift ICAO License	1	17,550	17,550
Neurotech License	1	10,000	10,000
Power Extender	4	2,500	10,000
Enrolment Application	4	20,000	80,000
Mobile Backdrop	4	15,000	60,000
VPN Phone Handset	1	3,000	3,000
Generator	1	60,000	60,000
Furniture	1	100,000	100,000
Location Branding	1	145,000	145,000
10% contingency cost			135,647
Enrolment equipment unit cost	N	1,033,968	1,356,468



INCOME PHASES AND SOURCES

PHASE 1

MONTH 1 - 3

APPOINT LOCATION
AGENTS

EARN 20% OF
LOCATION AGENT
SETUP COST

PHASE 2

MONTH 2 - 6

CUSTOMER ACCOUNT
OPENING AND
NATIONAL IDENTITY
REGISTRATION

EARN 20% OF
CUSTOMER ACCOUNT
OPENING

PHASE 3

MONTH 4 -

REGULAR
TRANSACTIONS

EARN 20% OF
AGENT
TRANSACTIONS



PHASE 1 – RECRUIT LOCATION AGENTS

BASIC SERVICE POINTS	STANDARD SERVICE COUNTER	FULL SERVICE CENTER
LOCATION SETUP COST 6,000	LOCATION SETUP COST 95,000	LOCATION SETUP COST 145,000
AVERAGE EARNING – 2,000	AVERAGE EARNING - 30,000	AVERAGE EARNING - 45,000
20 LOCATIONS	7 LOCATIONS	3 LOCATIONS
60,000	210,000	135,000

Area Supervising Organizations can earn on between N200,000 – N3,000,000 in phase 1.



PHASE 2 – CUSTOMER ACCOUNT OPENING

GOOD LOCATIONS	AVERAGE LOCATIONS	FAIR LOCATIONS
150 Customer Accounts	70 Customer Accounts	40 Customer Accounts
LOCATION INCOME 18,000	LOCATION INCOME 8400	LOCATION INCOME 4800
SUPERVISOR INCOME - 3,600	SUPERVISOR INCOME 1620	- SUPERVISOR INCOME - 920
3 LOCATIONS	7 LOCATIONS	20 LOCATIONS
10,800	11,340	18,400

**Area Supervising Organizations can earn on between
N20,000 – N150,000 DAILY in phase 2.**



PHASE 3 – DAILY SERVICE TRANSACTIONS

Location Agent Income

- 1) An average agent location will serve 40 – 120 transactions daily.

Locations earn between N4,000 – N40,000 daily depending on **location**, no of terminals, owner's seriousness.

Agent Supervisors monthly Income - without liquidity

Agent Locations	10	30
Income (20%) - Daily	N8,000	N240,000

Agent Supervisors monthly Income - with liquidity supply

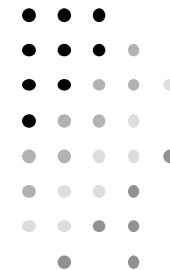
Agent Locations	10	30
Liquidity need per agent	100,000	100,000
Supervisor income (40%)	16,000	480,000



PARTICIPATION PROCEDURE

STEPS	ACTIVITY	COST
1	- 1 super agent application pack - Area Supervisor Location Setup	210,000 2,100,000
2	Recruit, Sponsor or Sponsor Agents 40 Location Agents , 1 supervisor	
3	PROVIDE ADDITIONAL FLOAT - Agent locations liquidity Support	3,000,000
4	TELLER SERVICE PLATFORM SETUP Agent Location Set up 1 network management interface	





Agent Location Income Analysis



Agent Location Categories

CATEGORY OF AGENT	DESCRIPTION	PROVIDED BY AGENT	SETUP COST AND FLOAT
Basic Service Point	Provides only Mobile Money services		
Existing neighbourhood shop or business owners, vendors or individuals.	They may wish to represent only one or all participating MMO's and provide neighbourhood services where required.	Service Terminal or Mobile phones, Identity verification and Documents	95,000 100,000
Standard Counter	Service Provides Financial and Citizen Services		
Existing neighbourhood shops or businesses with a dedicated service counter within their premises or new located neighbourhood kiosks	In addition to Mobile Money Services, they may provide payment, tax payments, identity management, insurance, etc.	Service Terminal, laptop or Computer System, identity verification and business document, backup access, backup power, Printer, Scanner, at least 1 counter staff	450,000 150,000
Full Service Shop	Provides Financial, Citizen and Value Added Services		
Existing business owners with dedicated and accessible working space within their premises or new well located office	In addition to financial and citizen services may also provide value added services such as Internet, ticketing, Online Business, Postal, Insurance, etc	2 or more Service Terminals, identity verification and business document, backup Internet access, backup power, Printer, Scanner, at least 1 dedicated counter staff and 1 IT support staff	1,350,000 300,000



Agent Products and Services

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Current Products	Products under development	Products that are of interest
<ul style="list-style-type: none">• Bill Payments<ul style="list-style-type: none">– DSTV , PHCN , Water• SIM Card Registration<ul style="list-style-type: none">- MTN , AIRTEL , GIO• Transfer to Bank Account• Airline Ticketing• Mobile Money• Tax payments• Domain Registration• Basic Website Design	<ul style="list-style-type: none">• Airtime Vending• JAMB Registration• Mobile Money• Western Union• Dealer Payments• WAEC and NECO• Result Checking	<ul style="list-style-type: none">• Agent Banking• National Identity• Health Insurance• Compulsory Insurance• Drivers License• Lottery• Wifi Services• Credit Products• Online Shopping



Location Agent Income Overview

The average agent location income can range from N4,000 to N30,000 depending majorly on LOCATION , SETUP STANDARD , NO OF TERMINALS , OWNER'S SERIOUSNESS.

Potential income per transaction ranges from N40 to N500.

The average agent can get between 80 – 160 customers daily,

Good Agent Locations like bus stops or market areas can have up to 4 Service Terminals and get up to 400 customers daily.



PARTICIPATION ADVANTAGES

- ❑ Efficient and cost effective agent management platform
- ❑ Access to additional value added services
- ❑ Shared agent management database crucial to sustainability
- ❑ System integration and infrastructure costs reduction
- ❑ **Potential high income and consistent income source**



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