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FREE: P2P BUSINESS PLAN



Allen Taylor



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NymGo is a telecom company in the Middle East/North Africa (MENA) region that allows users to make phone calls to landlines and mobile phones to anywhere in the world using Voice Over Internet Protocol (VoIP) technology. To further the company goal of making telecom more accessible to more people in the region, they've introduced the NymCard, an online payment card to help facilitate telecom transactions.

NymGo to NymCard

Founded in Beirut, Lebanon in 2009, NymGo built itself into the largest VoIP provider in the MENA region. Despite gaining more than three million customers in the region, growth was hampered because customers had problems downloading the app and signing up. They would drop off when having to deal with online payments because, as the company dealt largely with the underbanked who didn't have a credit card or a way to make payments online.

The company first began to solve this problem by building a network of agents who

idea that evolved when the company had grown to hundreds of thousands of customers in the MENA region.

NymCard was the next step, and the same agents who acted as banks for those customers now issue the cards.

Essentially, the NymCard is a prepaid Visa to be used in the digital communication world. Customers use the cards to buy games and apps online as well as Facebook ads, The average cost of a transaction is \$17 as a majority of them are for low end items like \$5 games. On the high end of that spectrum, you have freelancers who are buying Facebook ads, which run about \$65 to \$70.

The card can also be used to purchase 3G or 4G, wifi, and banking services at low cost. The first cards started at a \$250 prepaid limit then was raised to \$500 as users got more comfortable with it and started to use it more. Now that the company has its own service, it is looking at a tiered approach. This will allow them to issue cards starting at \$250 and raising limits as high as \$2k, \$3k, or even as high as \$10k.

The NymCard Today

For funding, the company recently closed a pre-Series A, in which it raised \$3M U.S. A Series A is in the works for next year to help expand in the MENA region. NymCard is also in talks with Visa and MasterCard to apply for licenses around the region for further expansion.

Where the first generation of the company made money on an interchange fee and the small fees associated with prepaid cards, moving forward with the physical prepaid card, the company will be able to attach a subscriber fee.

NymGo and NymCard Founder and CEO Omar Onsi tells us that by having everything in house and cloud-based the company can scale quickly, which, of course, will help them capture as much of the accessible market as possible.

NymCard Tomorrow

Onsi and his team aren't about to be satisfied with just that, however; they have plans to add more services to the product. He tells us that "very soon" they will have a "pay later card," which will allow them to extend credit to users, underwrite them quickly, and send them by virtual card.

The company also plans to make great efforts to reach the underbanked in different parts of the world, but points out that every region has its challenges. What might work in the Middle East might not be as well-received in Africa, and vice-versa. As the company does its due diligence toward this expansion, Onsi tells us there is much happening to reach the underbanked in their home region of the Middle East.

Onsi sees banks with prepaid services as the only real competition for NymCard, but reminds us that typical banks offer nothing digital, and the ones that do tend to struggle with it. "We have a lot of potential to corner the market. We understand digital very well, and we know how to develop the products. We can have a new release two or three times a week, and banks can't keep up; they struggle to update their websites," he said.

The company works with "a bunch of different customer profiles," but the biggest is

Coming from the telecom world, Onsi knows that smartphones are one of the only ways to get the population into online banking services. He reminds us that the telecom world started to grow rapidly when they did prepaid lines and that 70% of the subscribers are on a prepaid plan. He says that it so follows that prepaid cards for financial services will help the underbanked to get up to speed with the economy.

Are there hurdles to overcome? Of course, and one of the biggest is regulation. Onsi says that, telecom being a highly-regulated industry, this type of venture doesn't move as quickly as a typical tech startup.

As part of the regulations, NymCard was accepted into a regulatory sandbox, which helped to develop products and services; these helped the company launch what Onsi calls an "ideal digital experience." Following the guidelines of the regulation, NymCard was tested to measure success. This, in turn, helped the company to become more regulated. Upon graduation from that sandbox, with a full license, they have that in a partner's role.

Conclusion

If Onsi is correct in stating his company's biggest hurdles lie in regulation, then you might have to like their chances for success; their competitors will be subject to the same regulations, and if those companies don't have a man with the foresight and confidence Onsi seems to possess, they might find themselves playing for second place.

Authors:

Written with Paul Keenan.



Allen Taylor

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	Balance 3/31/18	Additions	Balance 3/31/2019	Net Interest	Average
n	\$ 40,070	\$ (15,000)	\$ 26,863	\$ 1,793	1
h IRA	\$ 9,272		\$ 9,531	\$ 259	1
l IRA	\$ 95.8		\$ 100,854	\$ 4,991	1
h IRA - 2	\$ 22.3		\$ 23,464	\$ 1,164	1
	\$ 89.7		\$ 64,743	\$ 5,006	1
	\$ 2,004	\$ (2,000)	\$ 922	\$ (82)	2
	\$ 26,863	\$ (15,000)	\$ 11,863	\$ 792	1
h IRA	\$ 9,272		\$ 9,531	\$ 259	1
l IRA 2	\$ 13,250		\$ 14,015	\$ 765	1
P Fund - Roth	\$ 4,341		\$ 8,317	\$ 506	1
	\$ 18,463		\$ 17,852	\$ 1,581	1
	\$ 20,474		\$ 21,695	\$ 1,221	1
	\$ 2,501		\$ 42,442	\$ 4,053	1
	\$ 2,501		\$ 21,165	\$ 1,605	1
	\$ 52,949		\$ 57,452	\$ 4,503	1
	\$ 31,559		\$ 35,123	\$ 3,564	1
	\$ 25,680		\$ 28,091	\$ 2,411	1

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