

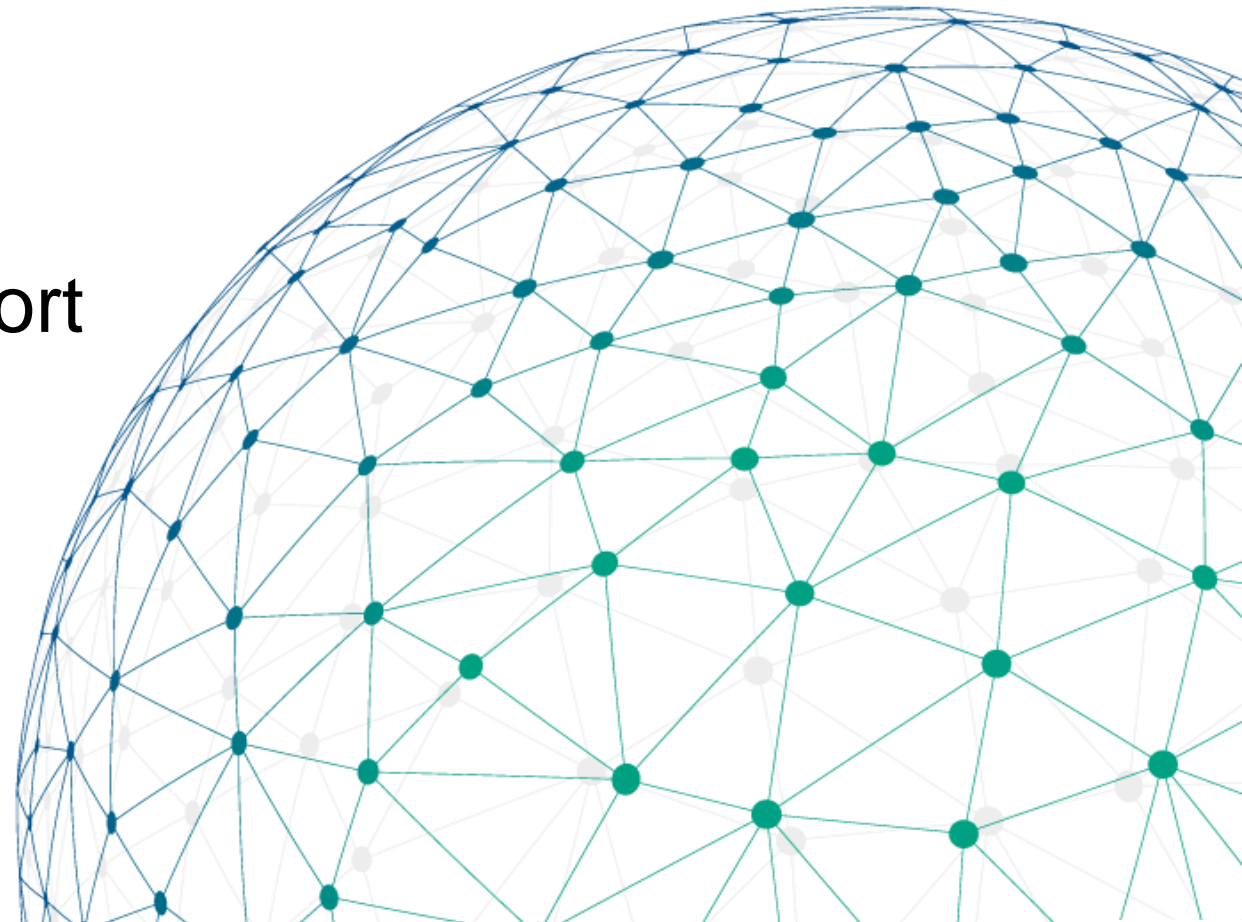


2015

Mobile Money Benchmarking Report

MNO X

March 2016



Mobile Money Benchmarking Report

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Findings

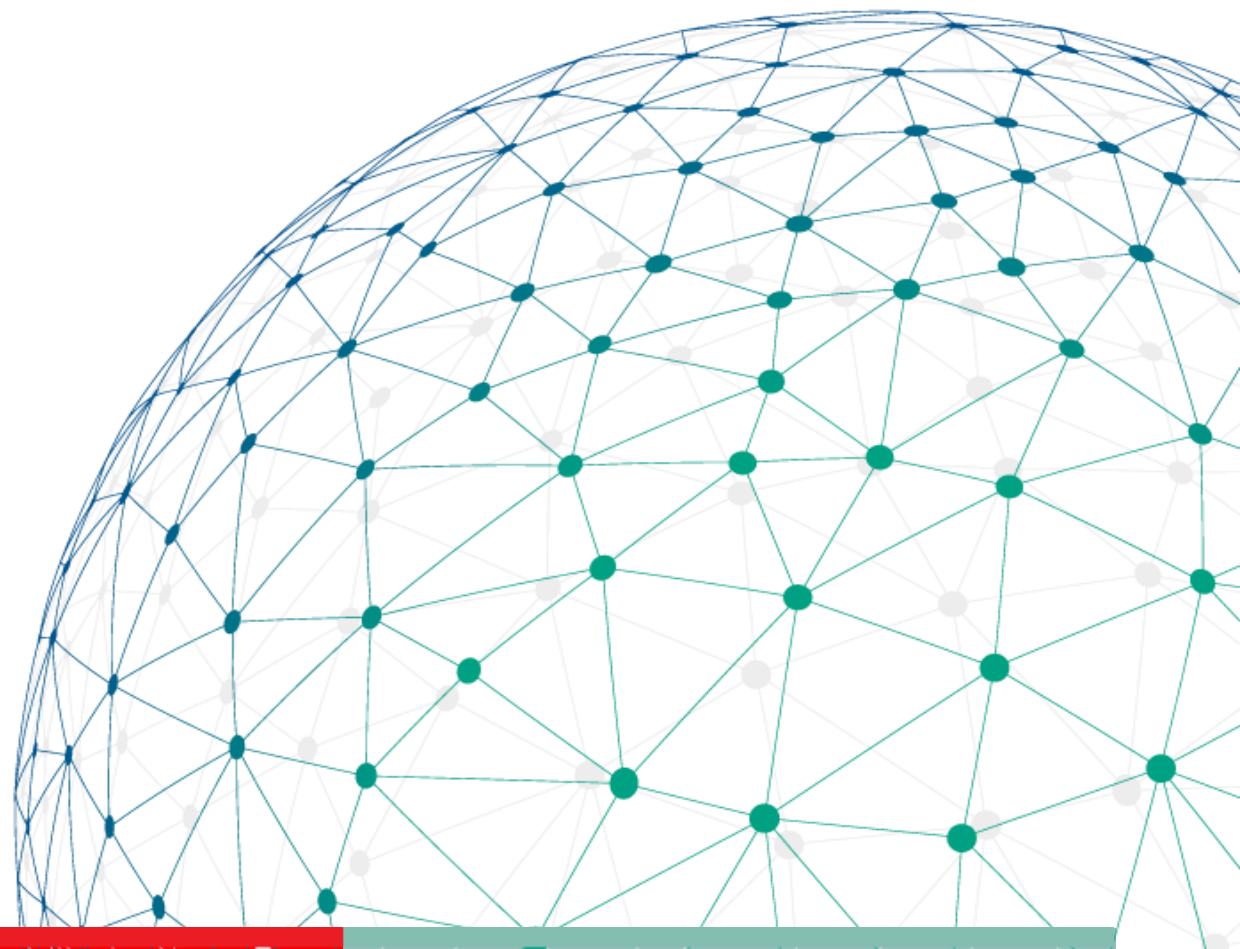
Adoption

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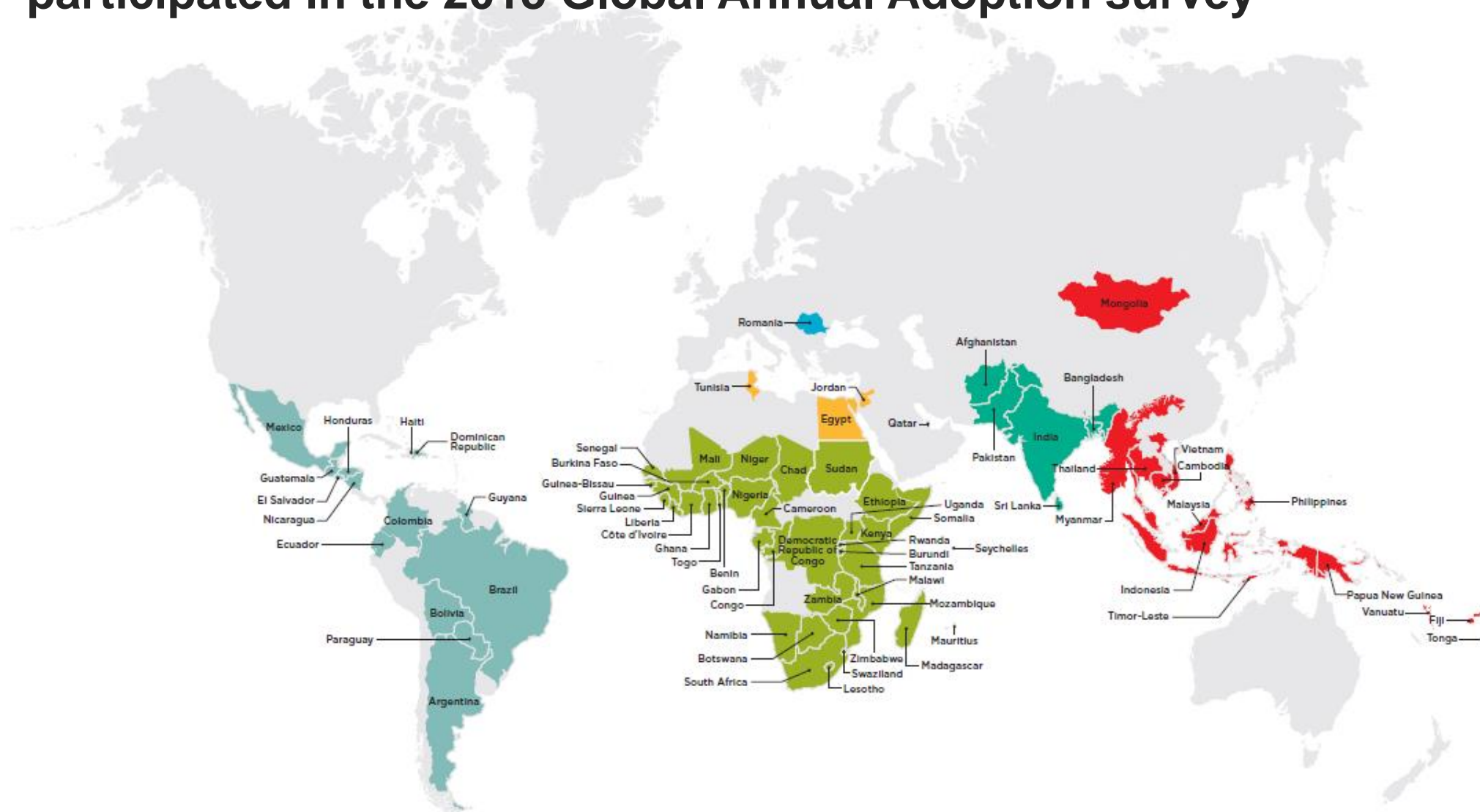
Introduction

This document is a benchmarking report produced by the GSMA Mobile Money programme for Telenor Pakistan. It is based on findings from the **2015 Global Adoption Survey of Mobile Financial Services** and compares your data across a selection of metrics against regional and global values.

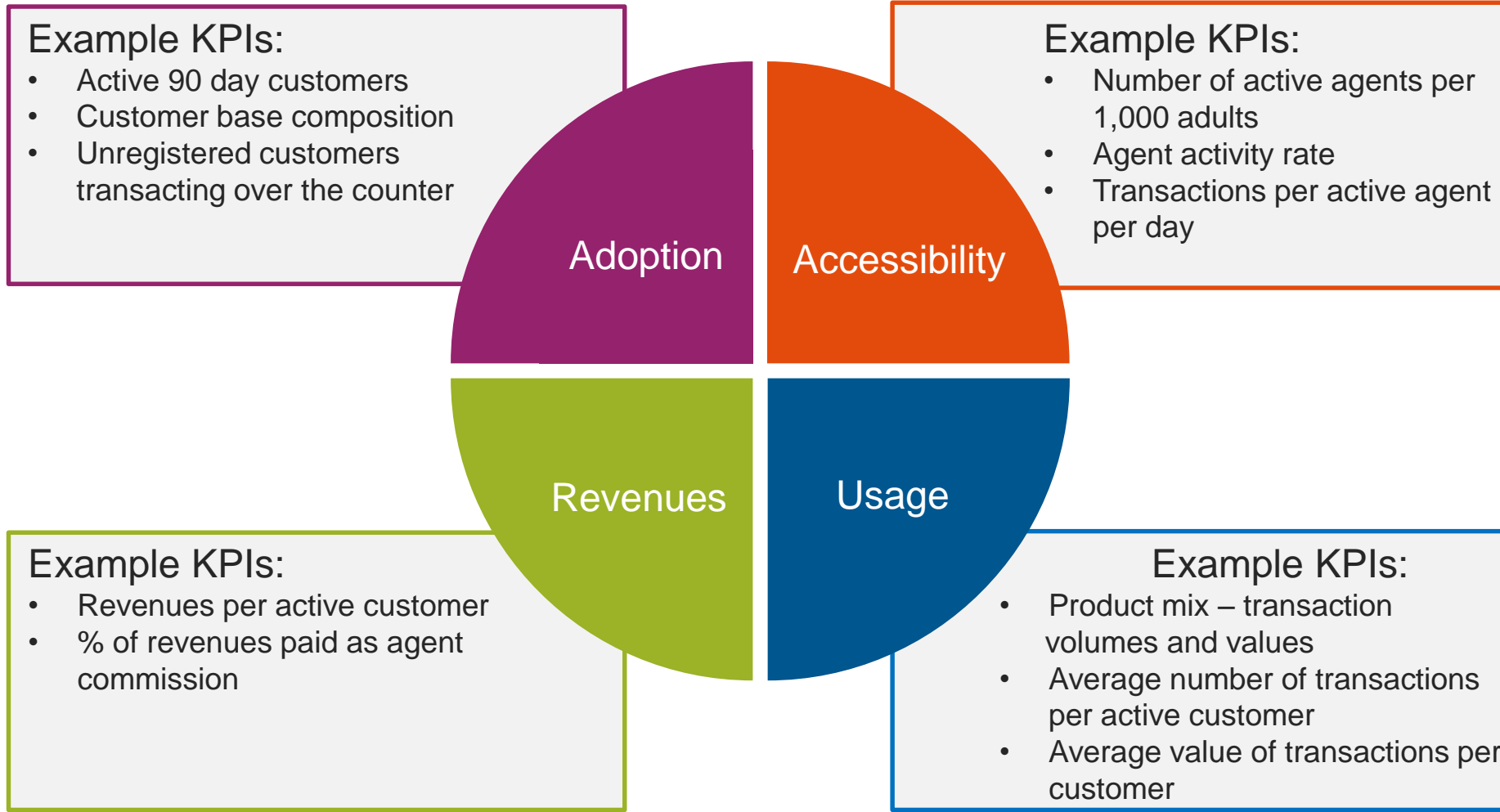
This report is split into the following sections:

- **Findings:** Highlights selected findings from the 2015 Global Adoption Survey as well as an overview of findings benchmarked to your data.
- **Adoption:** Highlights mobile money services trends between September 2014 and June 2015.
- **Accessibility:** Includes indicators on agents' growth and activity.
- **Usage:** Compares the relative importance of mobile money products and their growth trends.
- **Revenue and investment:** Presents comparative scale & source of revenues and investment.
- **Annex:** Includes supplementary information such as the methodology and definitions.

Analysis is based on 100+ mobile money providers who participated in the 2015 Global Annual Adoption survey



Example KPIs, by section



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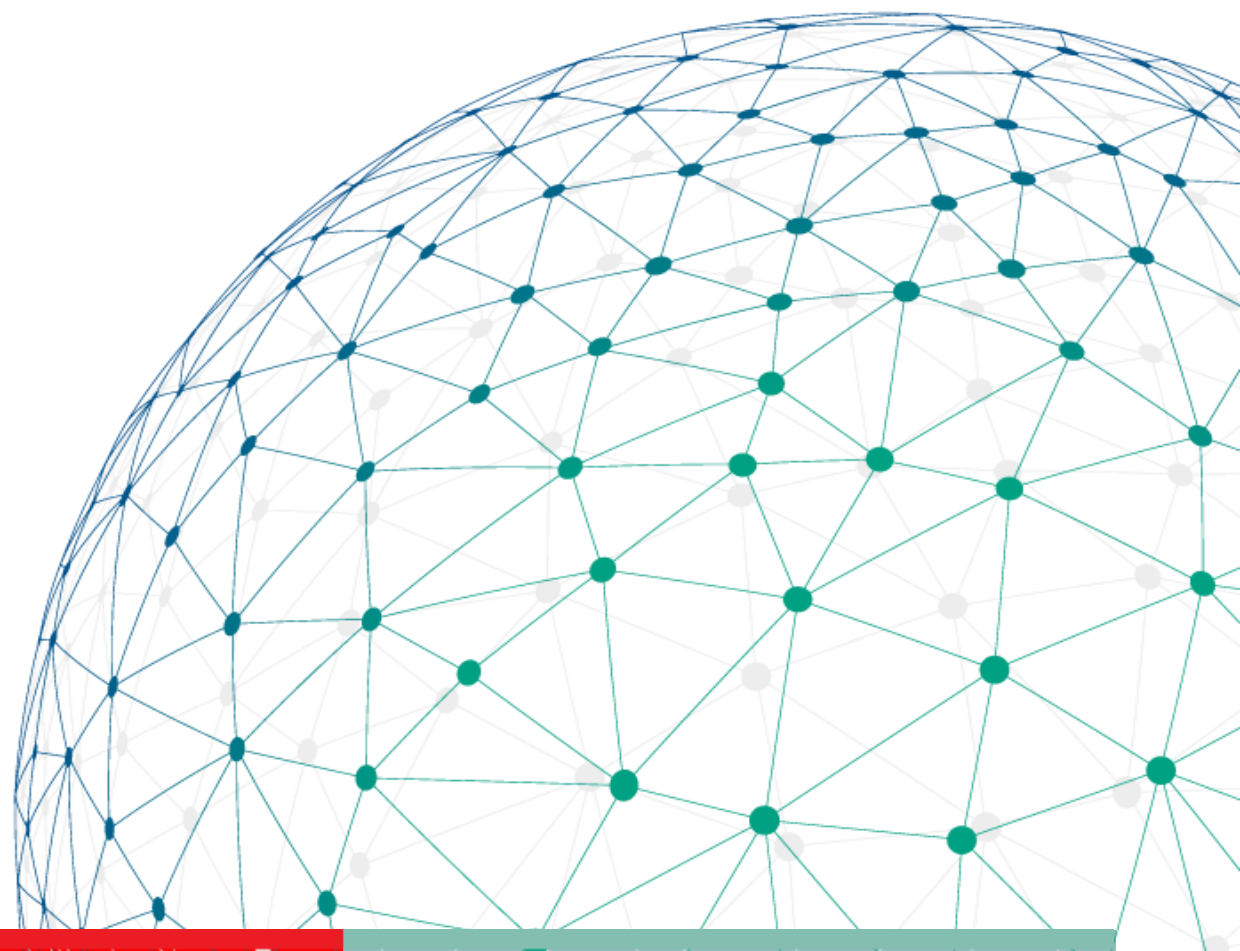
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Key Findings from 2015 State of the Industry Report



- Registered customer accounts have grown **34%** (CAGR) globally between September 2014 and June 2015
- Active 90-day customers accounted for **33%** of total registered during the same period



- Registered agents have grown **33%** (CAGR) globally between September 2014 and June 2015
- Active agents accounted for **59%** of total registered during the same period



- P2P transfers accounted for over **70%**¹ of the value transacted globally in June 2015
- Airtime top-ups¹ dominated the volume of transactions over **60%** of the global total in the same period

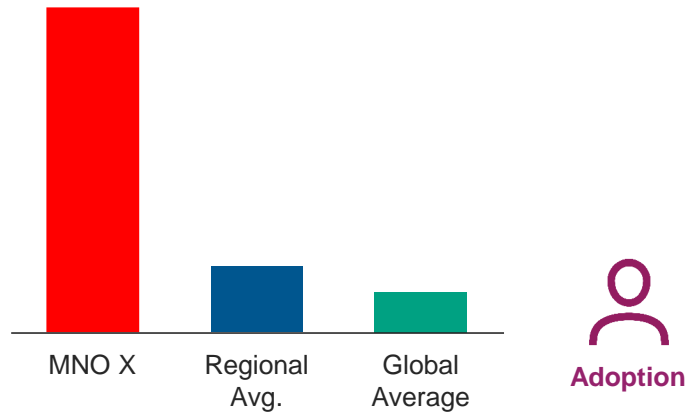


- Revenues generated by mobile money grew by **40.3%** (CAGR) in the year leading up to June 2015 and most providers derive their revenue from customer fees.
- Moreover, in 2015, **75%** of respondents maintained or increased their investment in mobile money.
- Commissions paid to agents accounted for **54.4%** from top providers (ranked by active accounts).

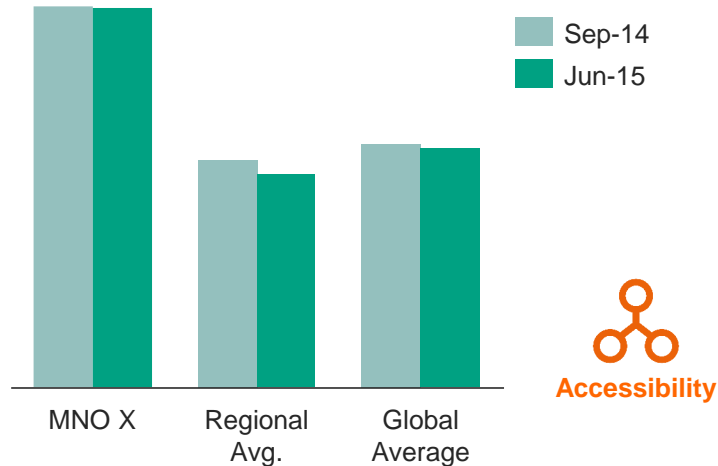
¹ These values exclude cash-in and cash-out transactions.

Global Benchmark Report Overview

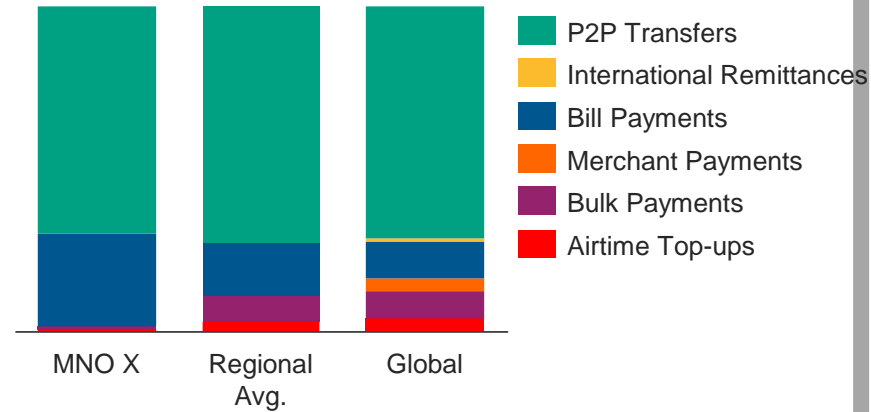
Growth of registered customer accounts
(between 2014 & 2015)



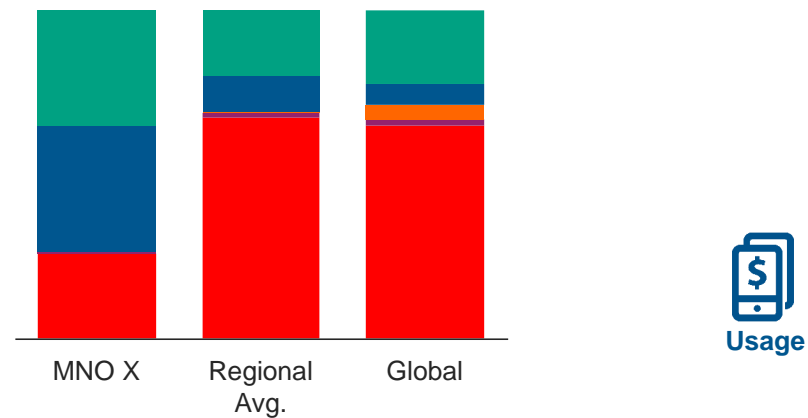
Share of active agents (% of total)



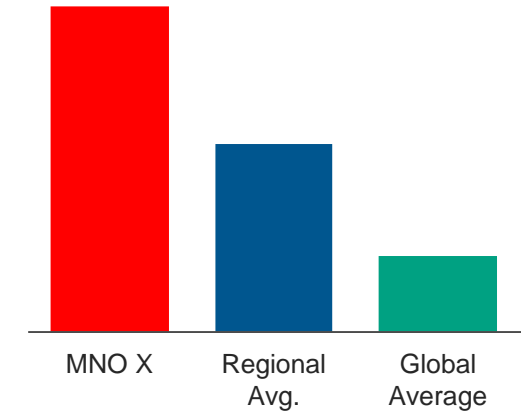
Product mix by value (June 2015)



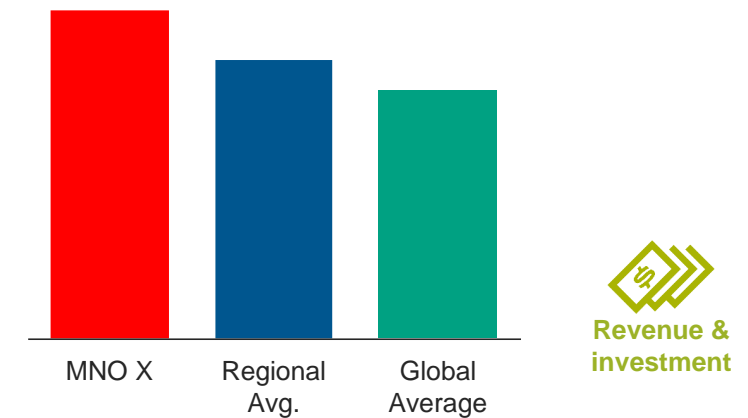
Product mix by volume (June 2015)



Revenues per active customer (USD, June 2015)



Revenues paid as commissions (June 2015)



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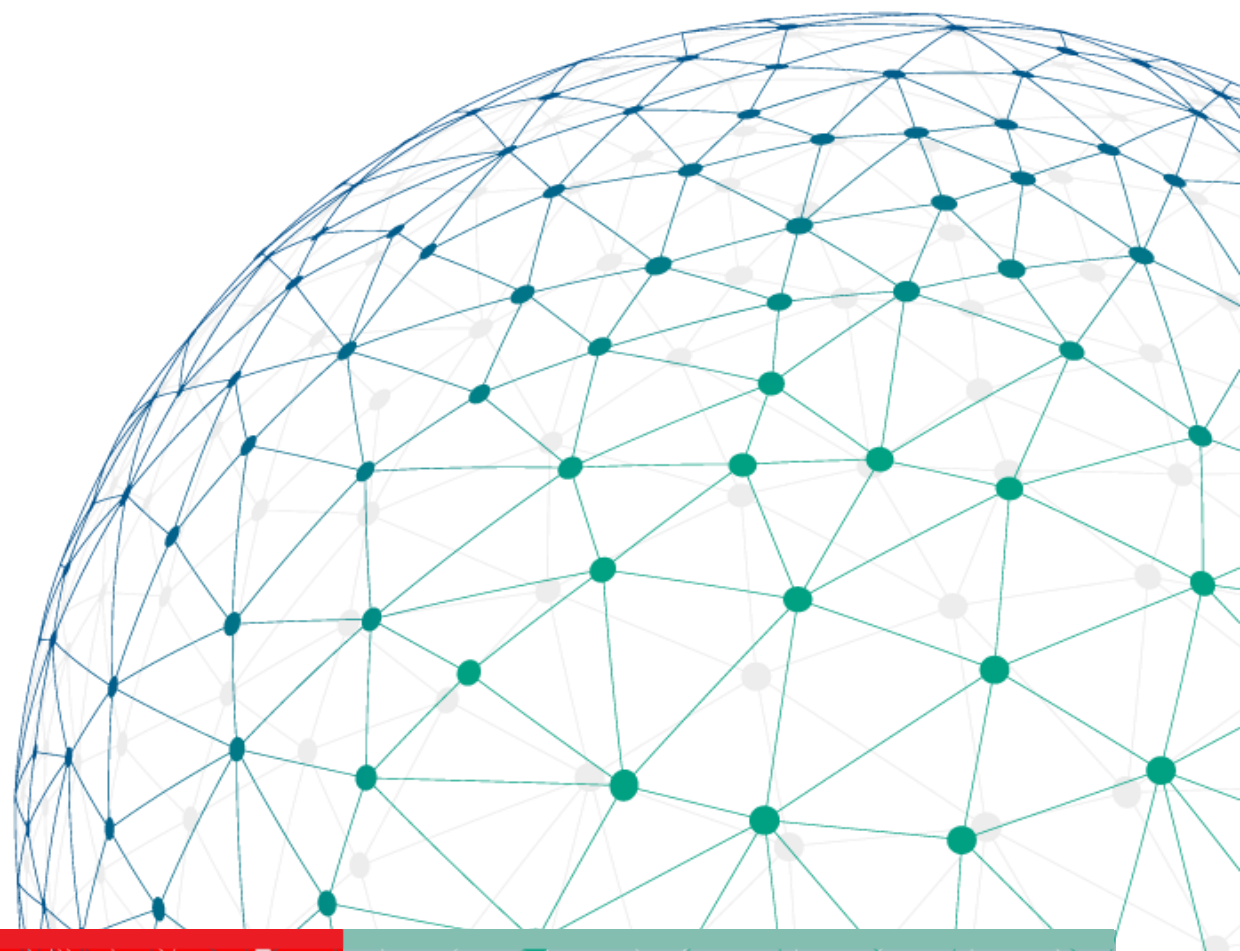
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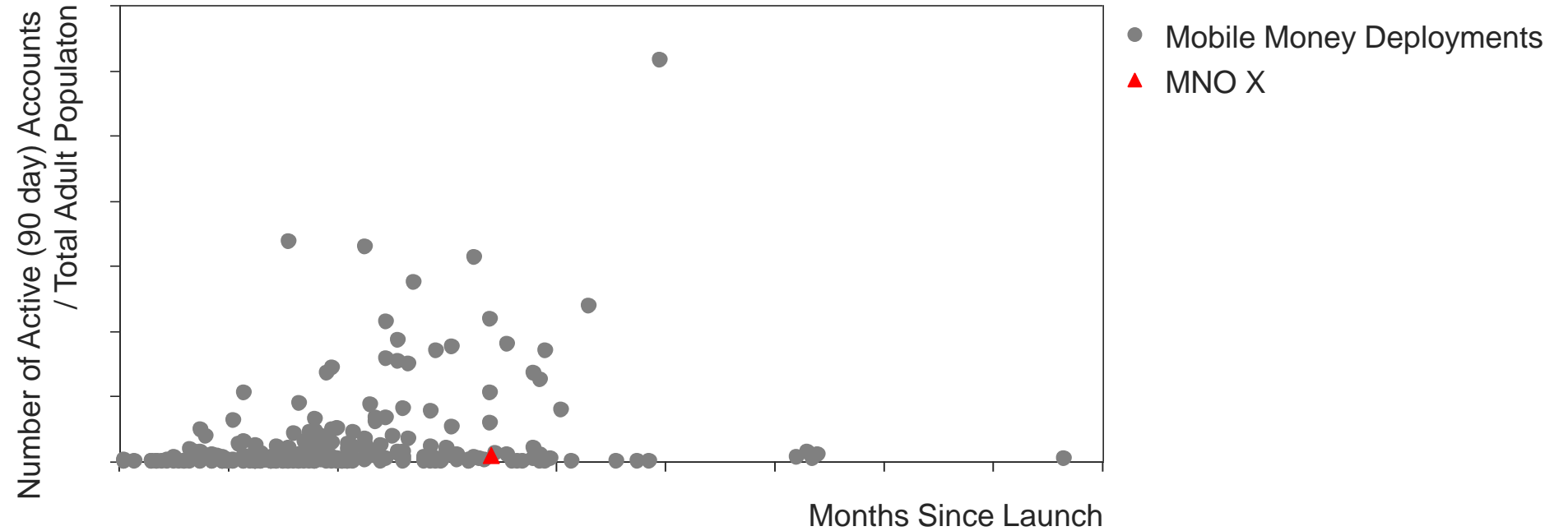
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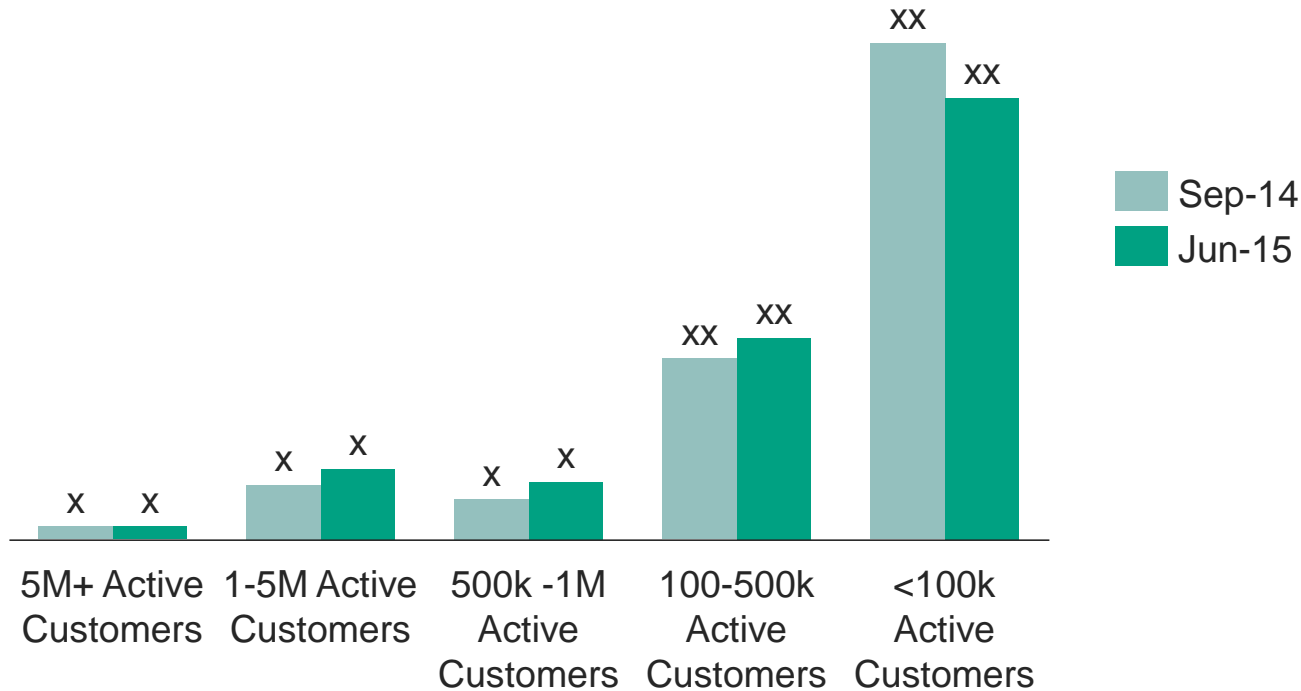
Growth, by deployment, across the industry remains mixed



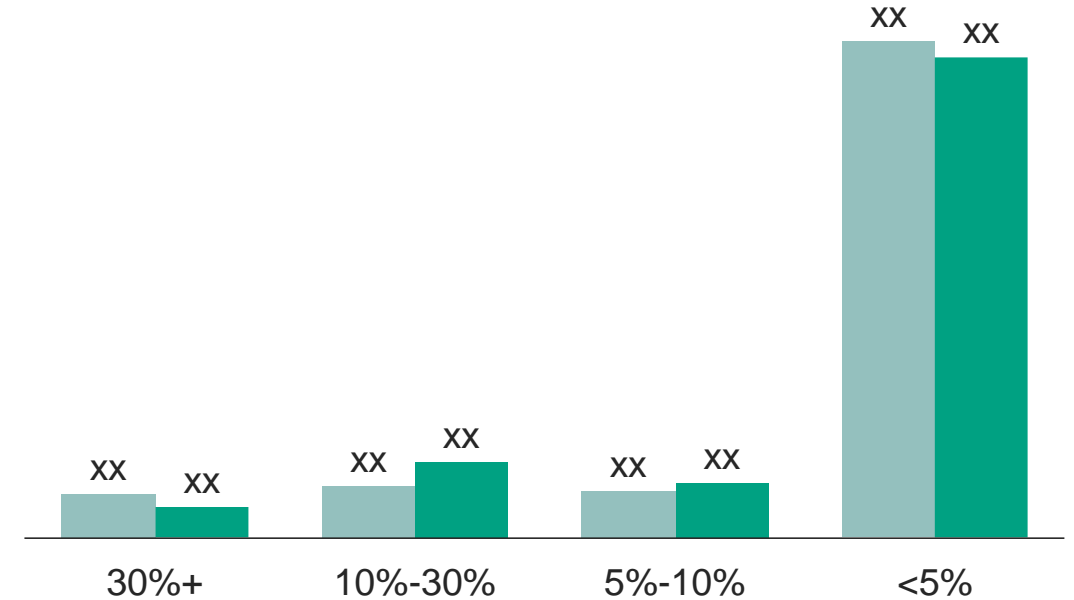


More deployments are growing their active base

Number of global deployments, by active customers (90-day)



Number of global deployments, by active customers / Total mobile connections



YOU

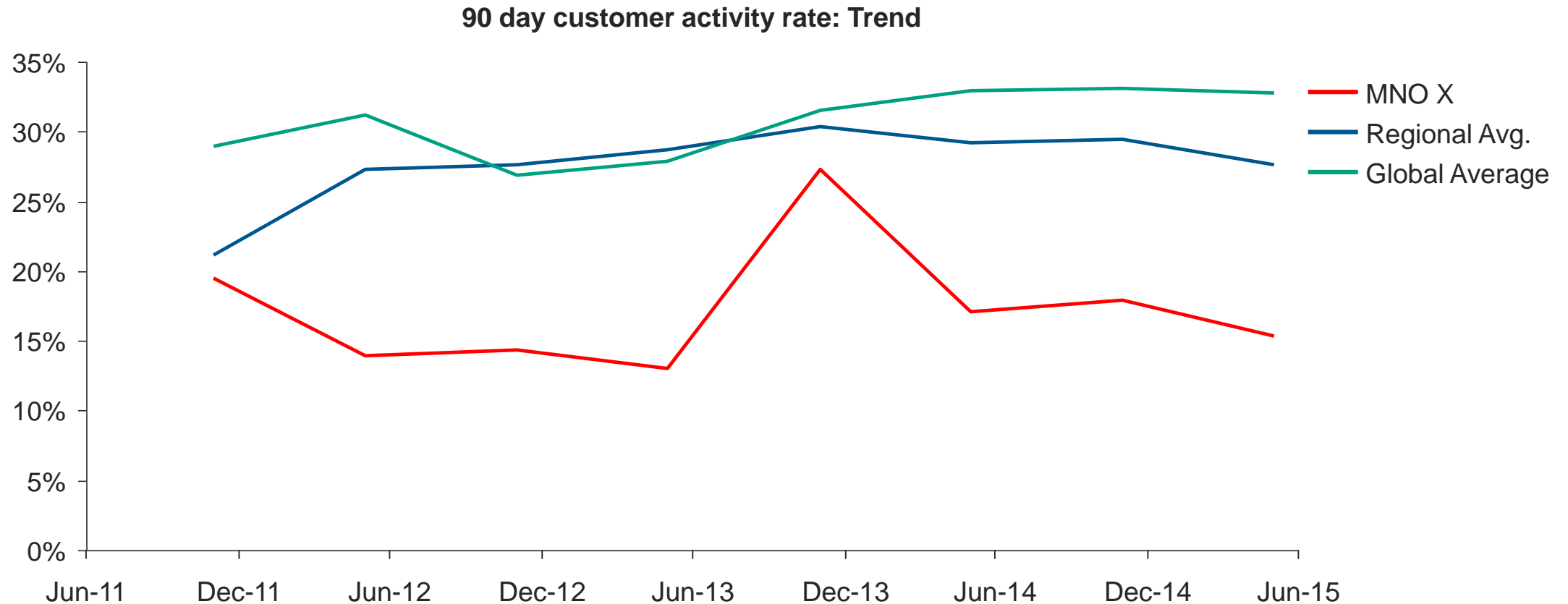
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The charts evaluate Mobile Money providers' market penetration and look at both the absolute number of active customers and the proportion of active customers on the GSM connections in a country. This highlights that while some deployments may have a smaller number of customers, they may have a larger penetration in relation to the market size. Looking at the number of absolute customers, while a large number of deployments still have fewer than 100k customers, there has been a significant number of deployments crossing the 100k, 500k and 1m active account milestone.



Globally, customer activity rates remain stable year-on-year

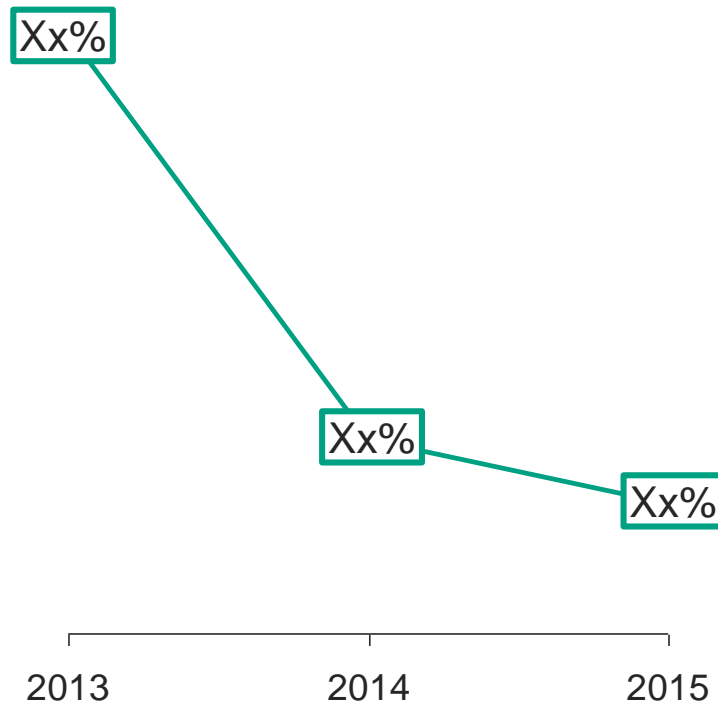


This chart shows the percentage of registered mobile money accounts that are active on a 90-day basis and how that percentage changed over time. While specific market circumstances may result in rates dropping (i.e. customer registration campaigns), it highlights that at a regional and global level, activity is growing constantly and there are still opportunities to be captured.



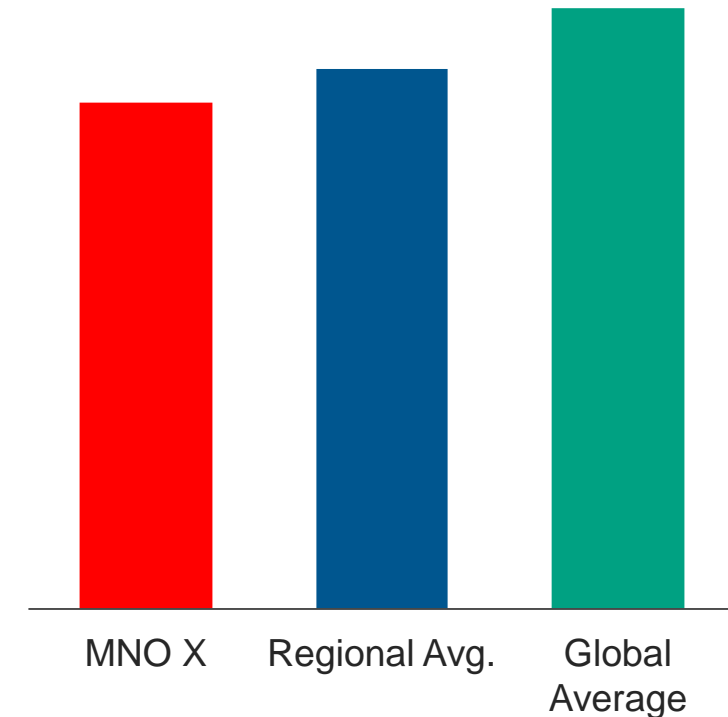
However, OTC rates are on the decline even though OTC volumes remain significant

Change in OTC growth rates, globally



Based on annualized growth rates of the number of unregistered users who transacted OTC.

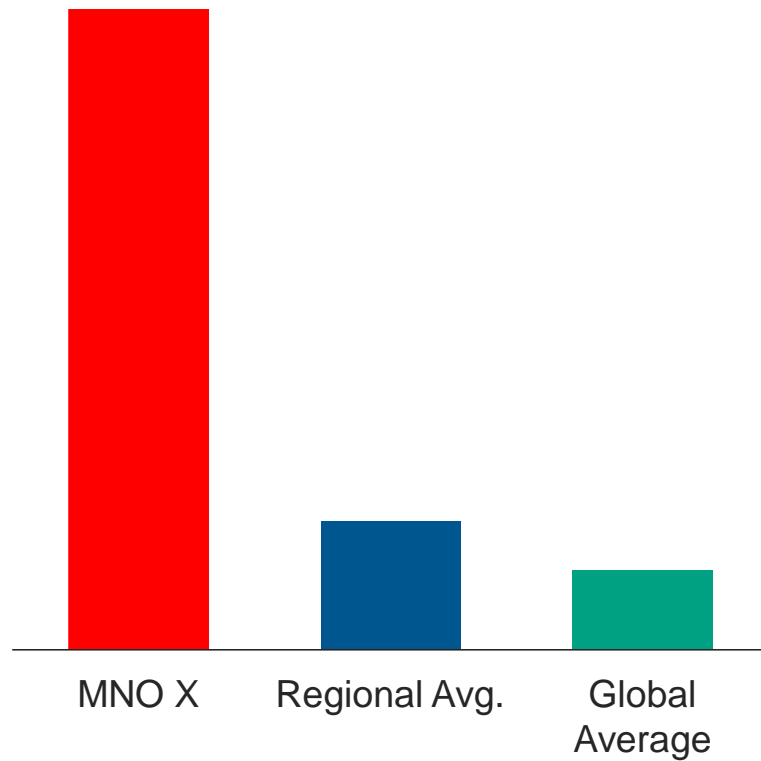
Number of unregistered customers who have been transacting OTC / total registered customers (June 2015)



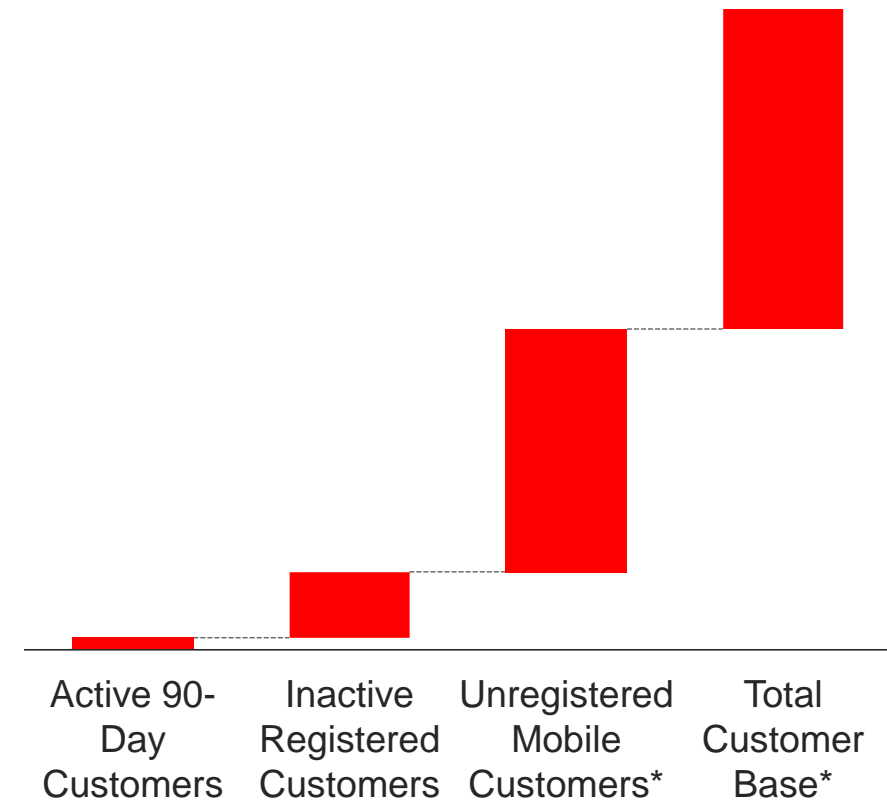


The mobile money opportunity remains substantial

Registered customer growth (between 2014 and 2015)

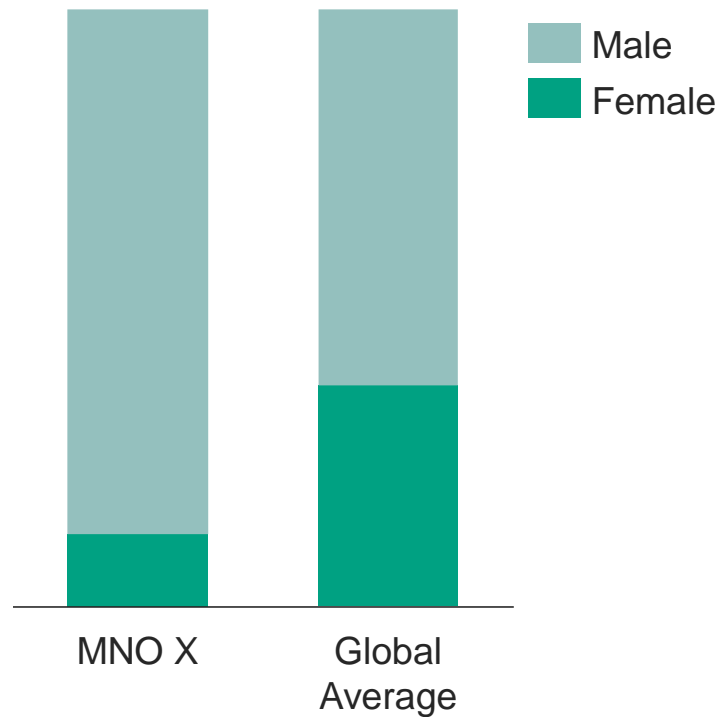


Missed mobile money opportunity (June 2015)

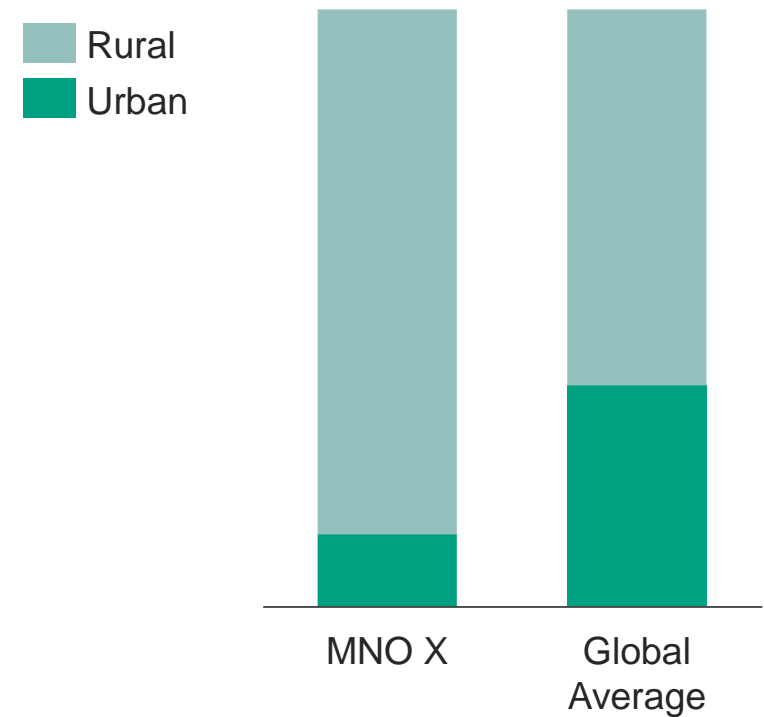


Women and rural customers continue to remain a largely untapped opportunity

Customers' split by gender (June 2015)



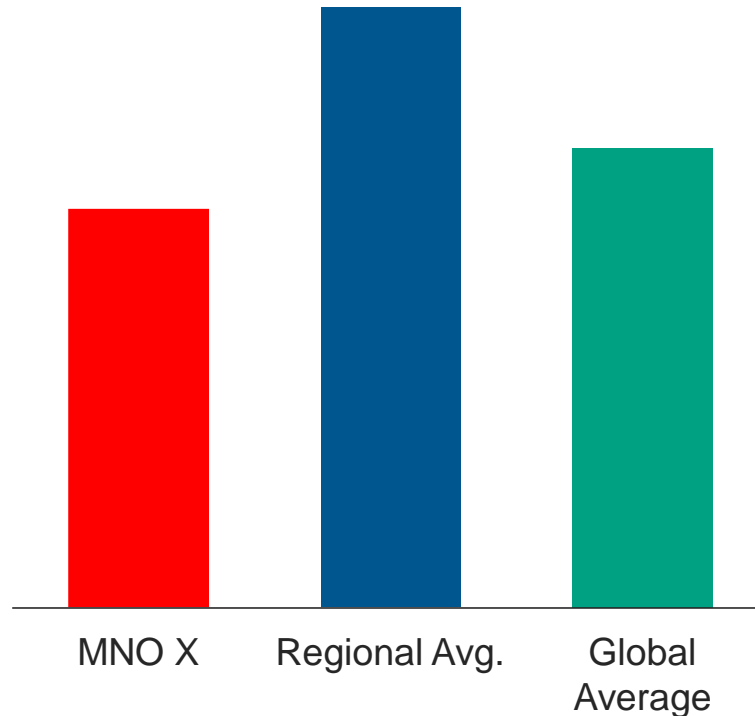
Customers' split by geographic area (June 2015)



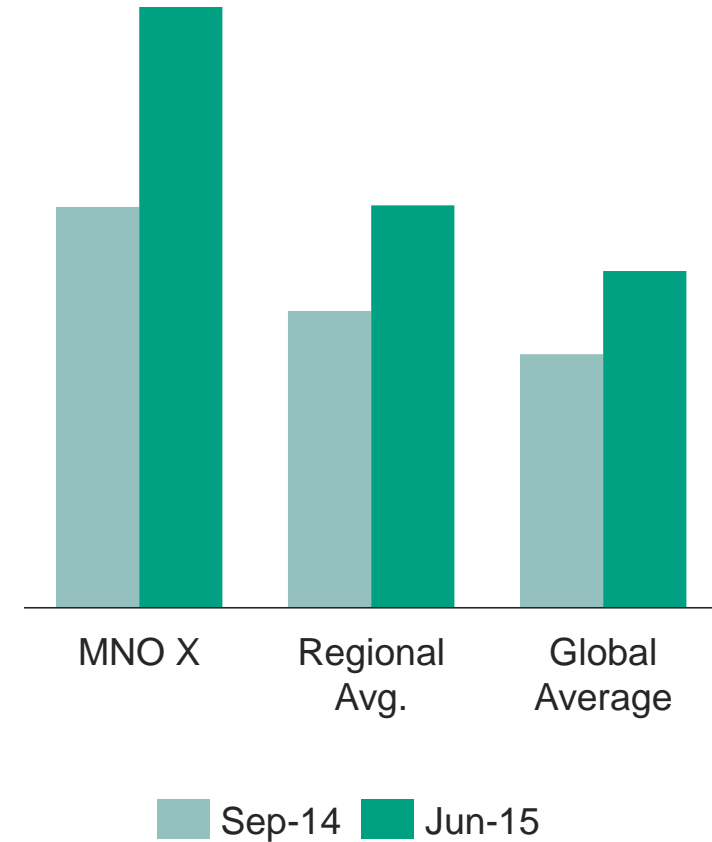


Positive account balances increased by value and are more common amongst customers globally

Share of customers with positive mobile money account balance (June 2015)



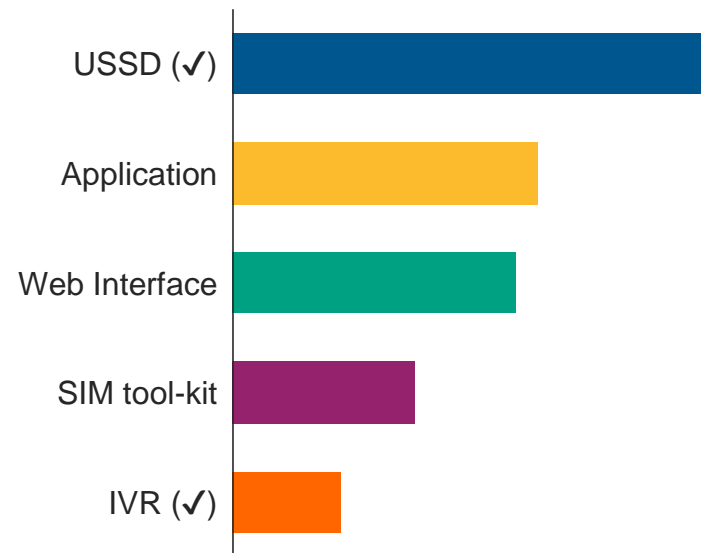
Average balance held in account over time (USD)



Sep-14 Jun-15

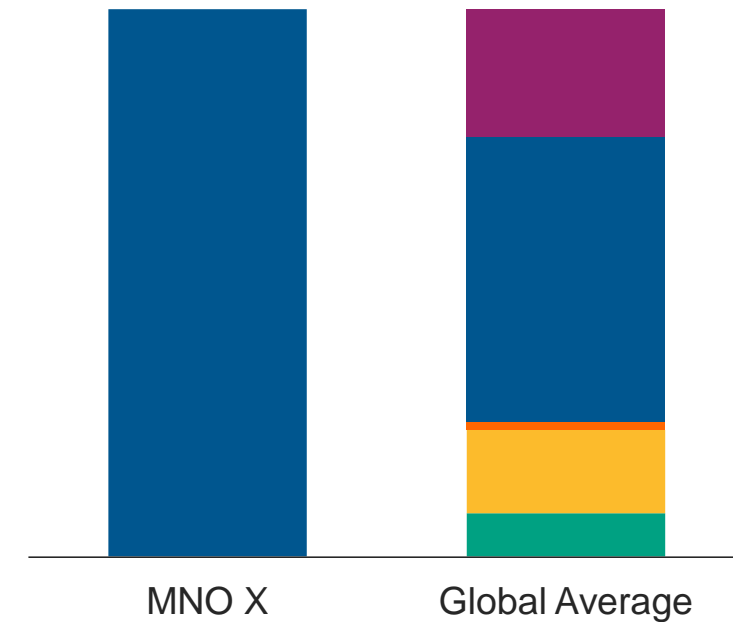
Access channels continue to diversify amongst providers

Share of MNOs offering each channel to access service (June 2015)



YOU - (✓)

Share of transactions processed through each channel (June 2015)



STK USSD IVR Application Web Interface

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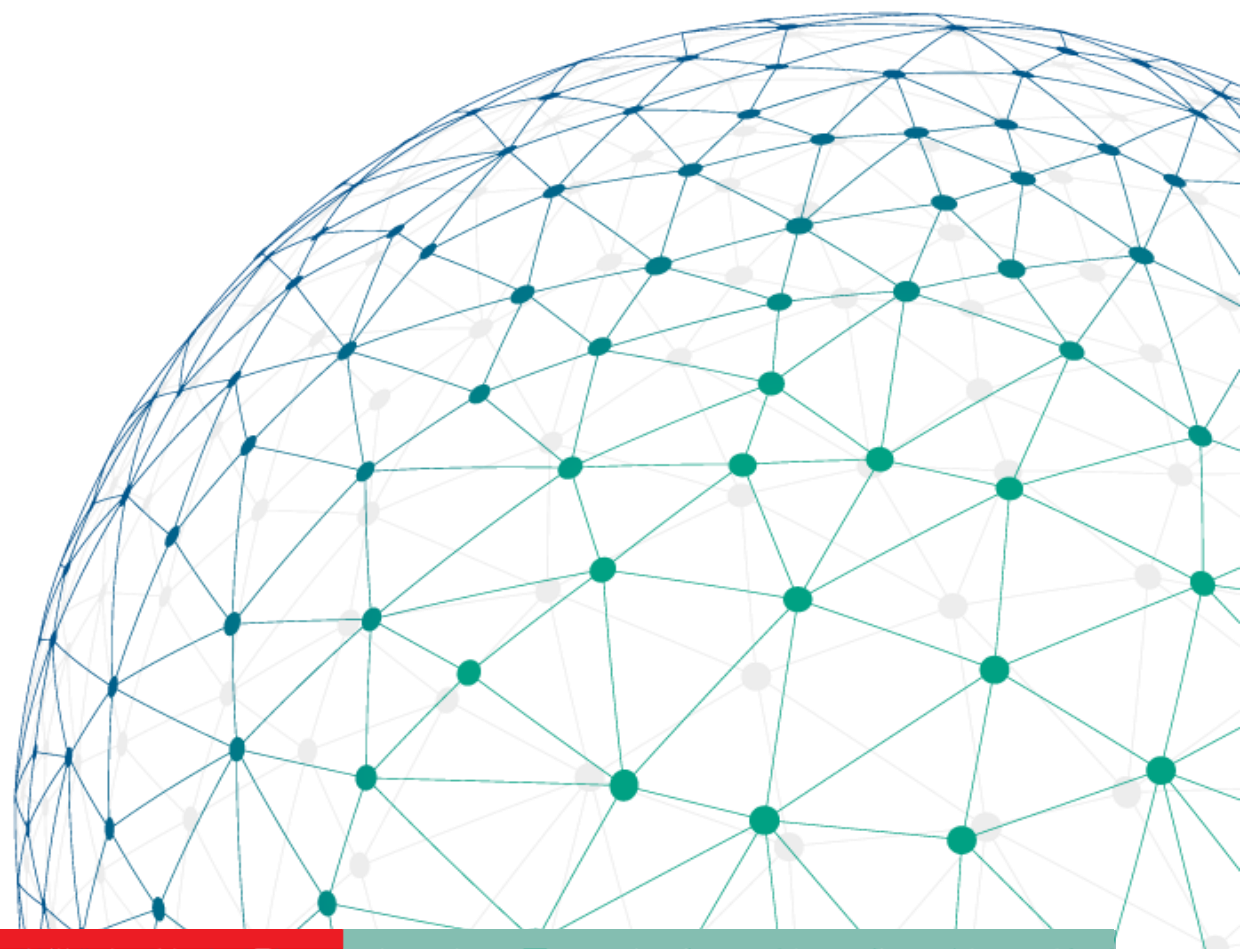
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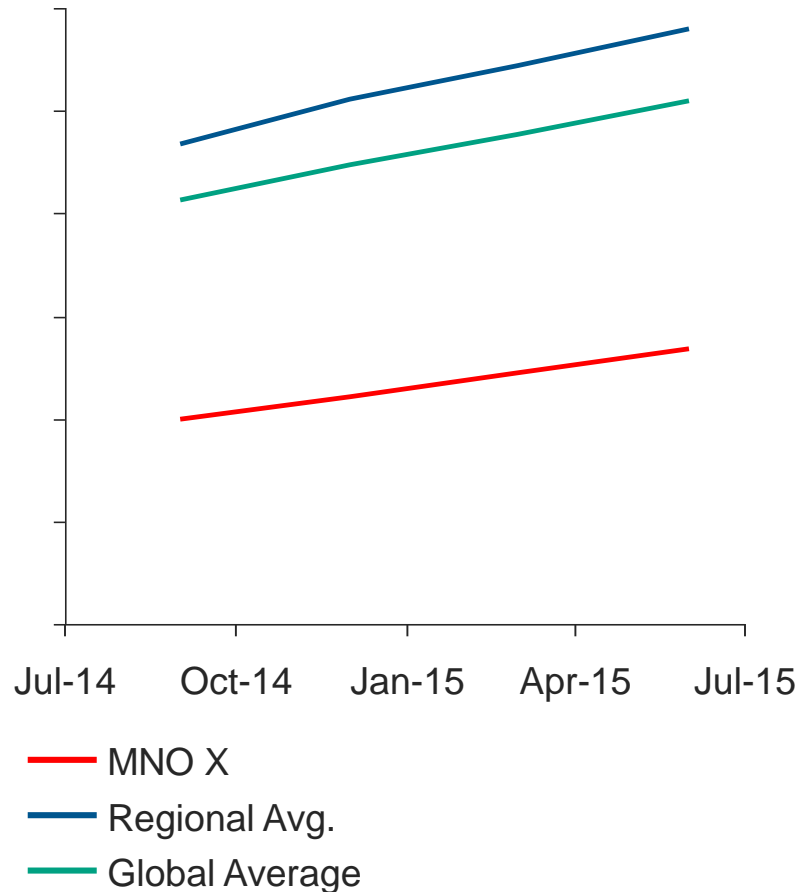
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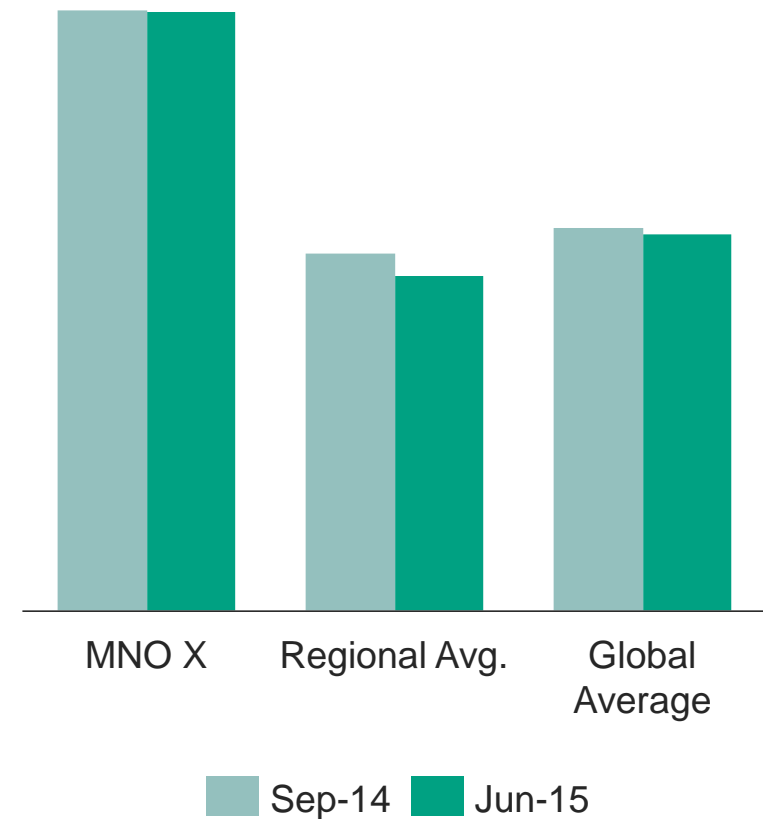


Registered agents continue to grow and active rates remain stable

Number of registered agents per 1,000 adults

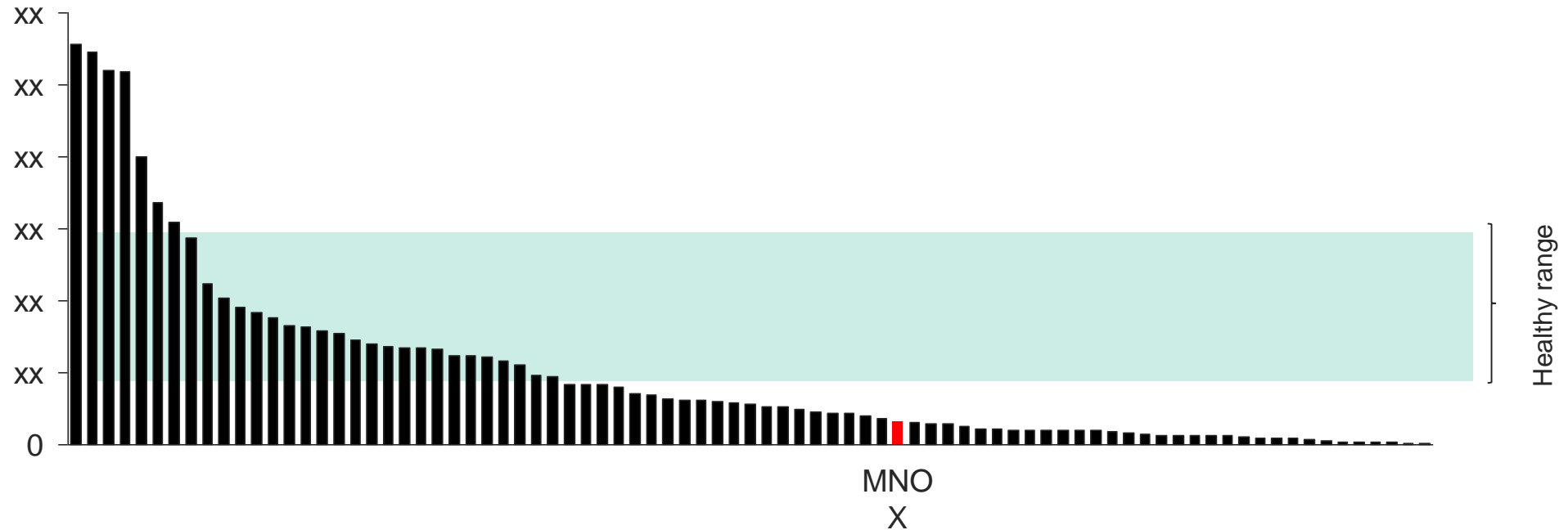


Share of active agents (% of total)



Global ranking: agent transaction activity

Average number of transactions per active agent per day (June 2015)



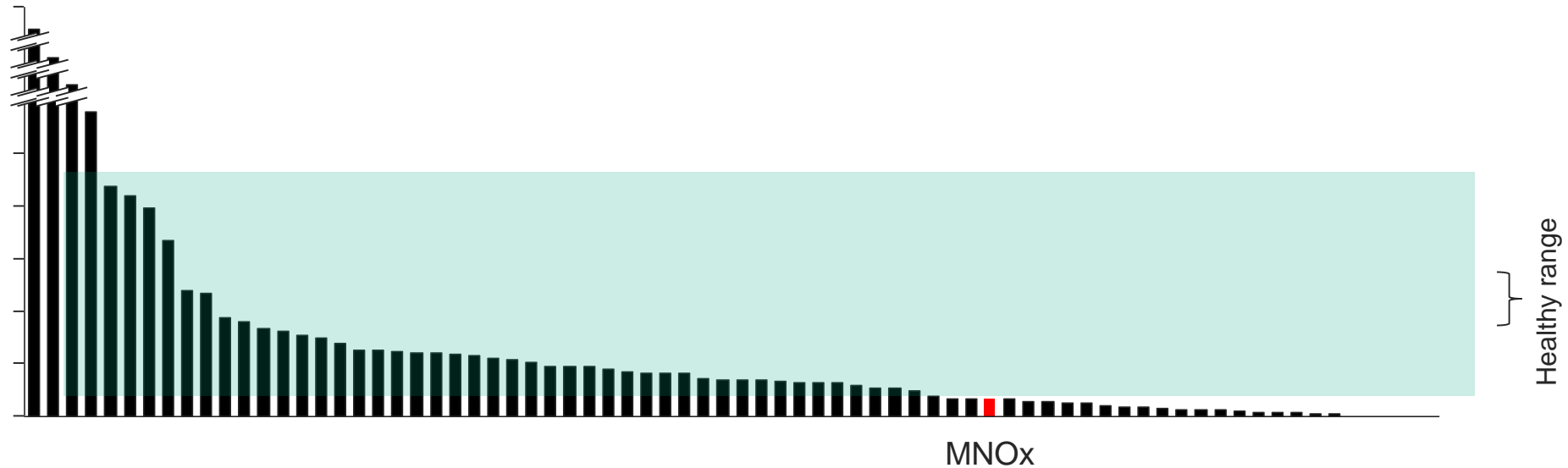
This chart plots the number of agent transactions per active agent outlet per day in June 2015. Agent transactions include cash-ins and cash-outs in the case of wallet based services and all transactions facilitated by agents in the case of OTC services.

Our experience working with mobile money operators allows us to indicate that a ratio between xx and xx is probably healthy. When that ratio is too low, under 10 transactions per day, agents will not generate enough revenue from transaction commissions to justify their continued participation in the service.

When that ratio is too high, quality of service will decrease as agents won't have enough time to serve customers properly and to educate new ones about the service.

Global ranking: customers per agent

Average number of active 90 day customers per active agents (June 2015)



This chart plots the number of active customer accounts per active agent outlets in June 2015.

Our experience working with mobile money operators allows us to indicate that a ratio between xx and xx is probably healthy.

When that ratio is too low, under xx customers per agent, agents will not earn enough to justify the business.

If it's too high, above xx customers per agent, customers may get frustrated by long queues because there are not enough agents to meet their needs.

Additionally agents may struggle to manage liquidity and may only serve "easy" customers – i.e. customers with lower transactional requirements in order to implicitly manage their cash and float.

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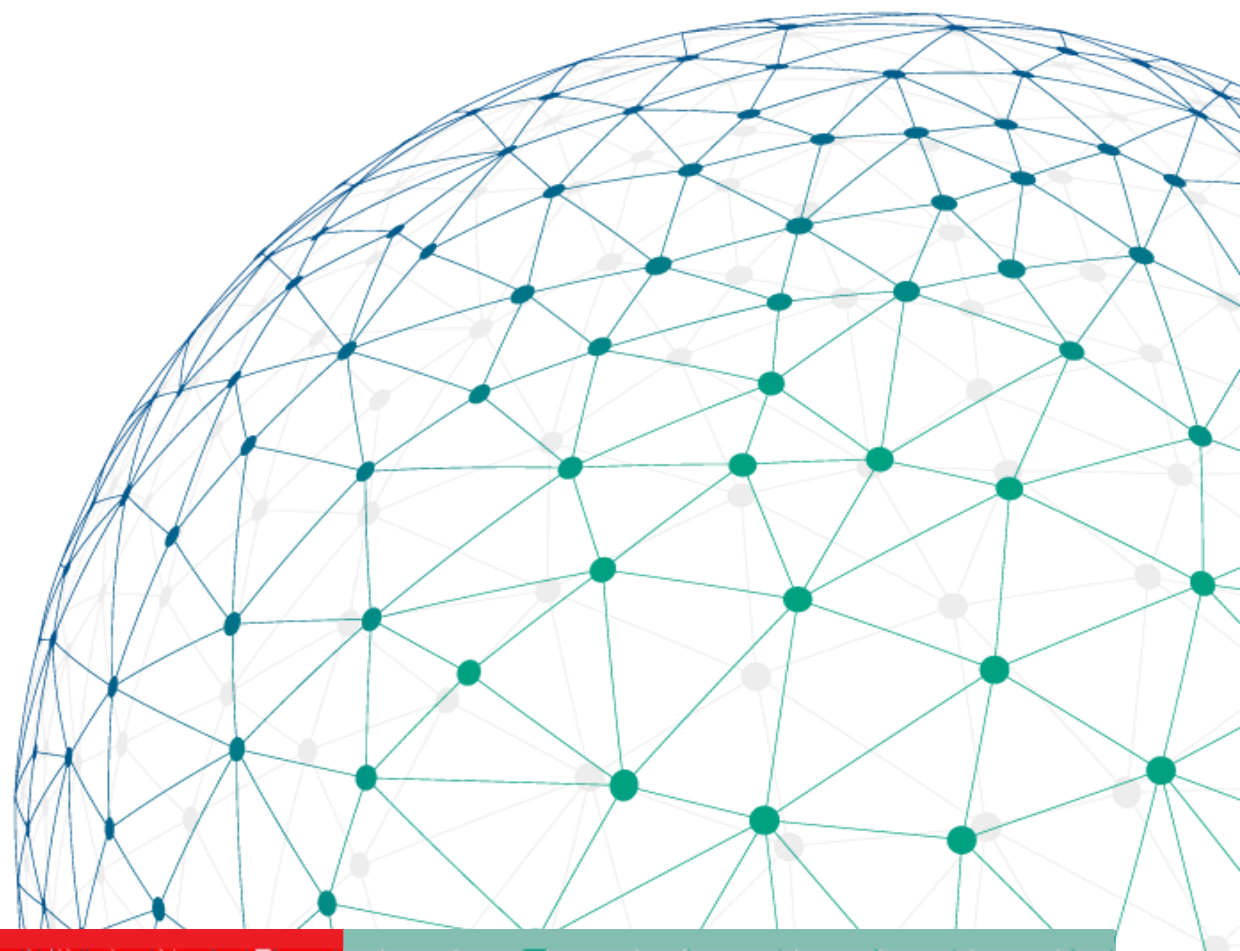
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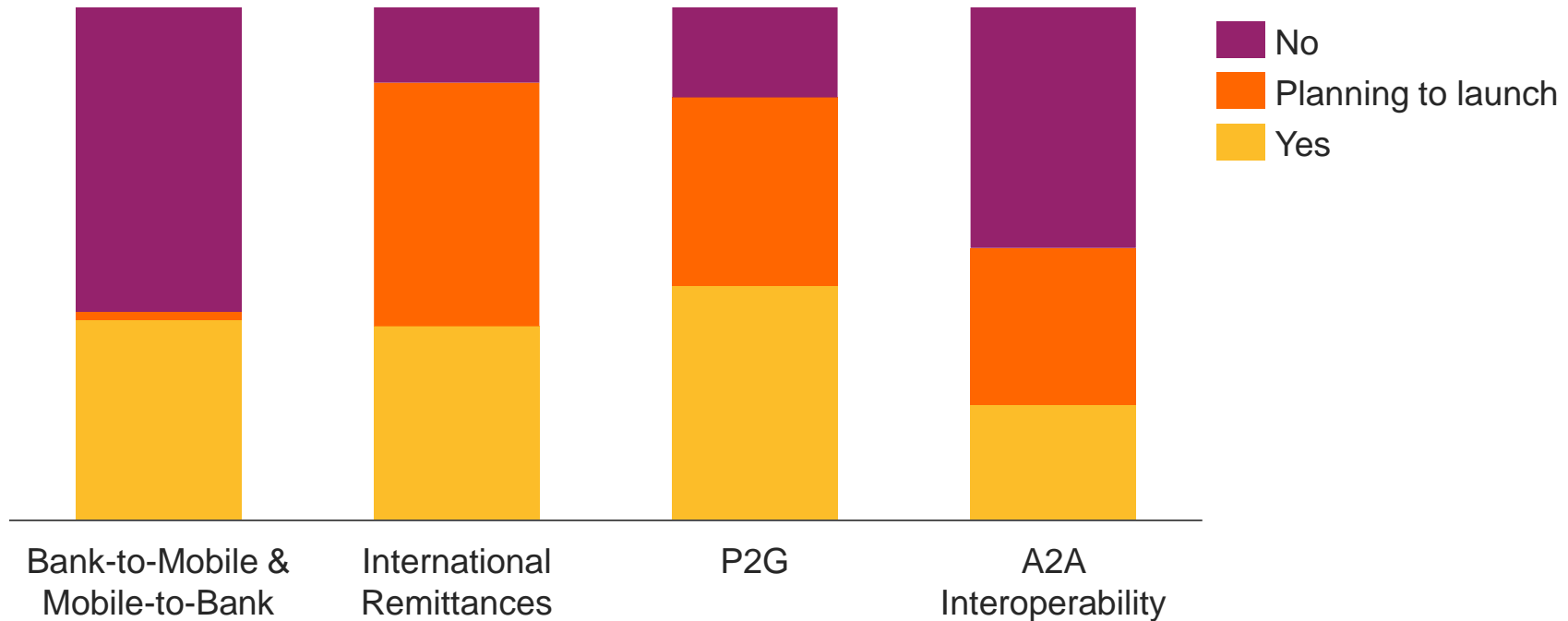
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Most providers offer a healthy range of services

Range of ecosystem products offered, Global Average



YOU

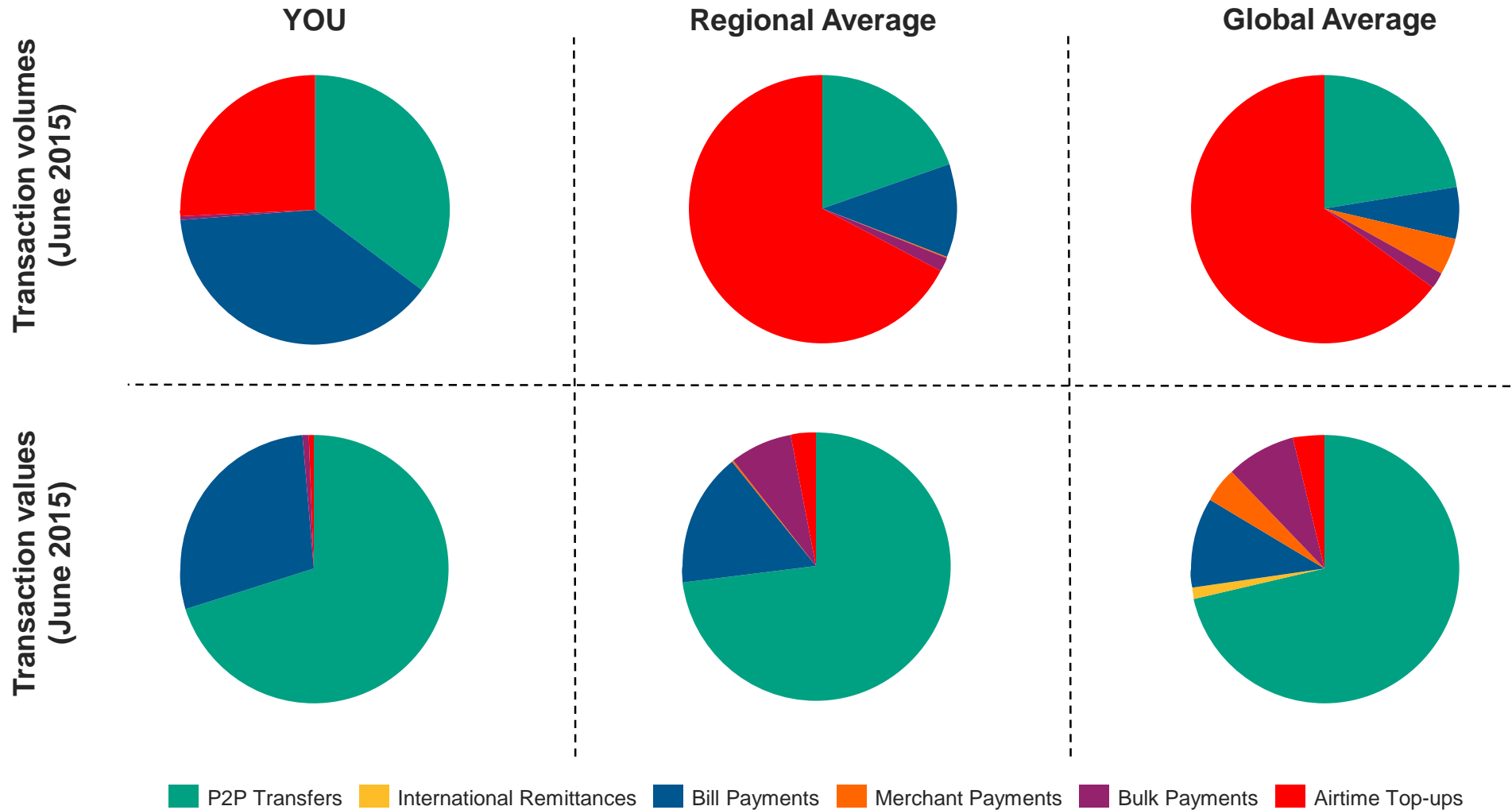
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Other products are excluded on the base that they are offered by the vast majority of operators.

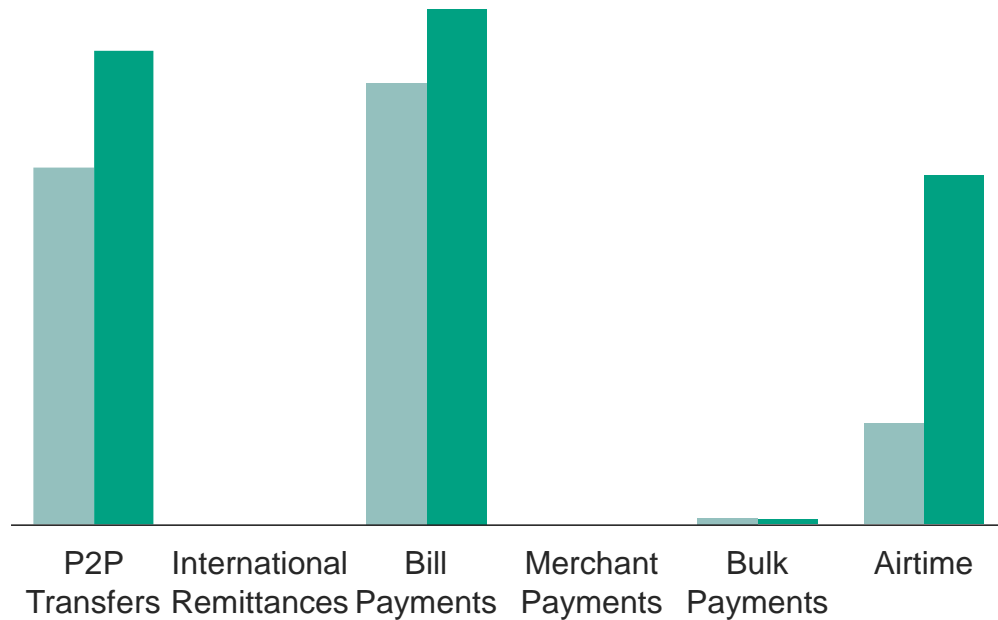
However, globally, P2P and airtime continue to dominate usage patterns



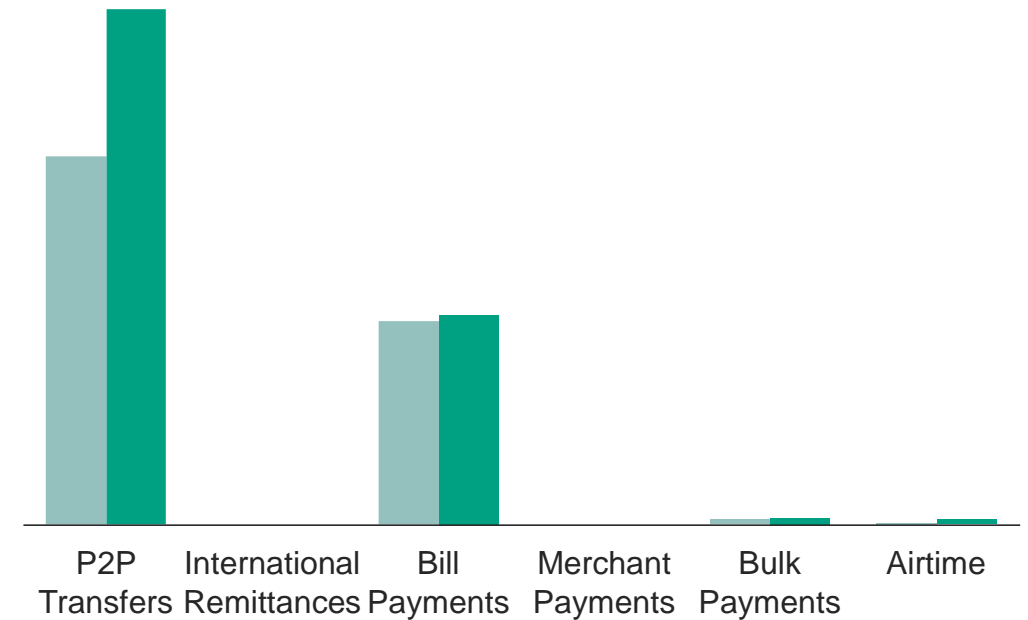


Snapshot of transaction growth per product – your results

Transaction volume ('000) growth by product
(between September 2014 and June 2015)



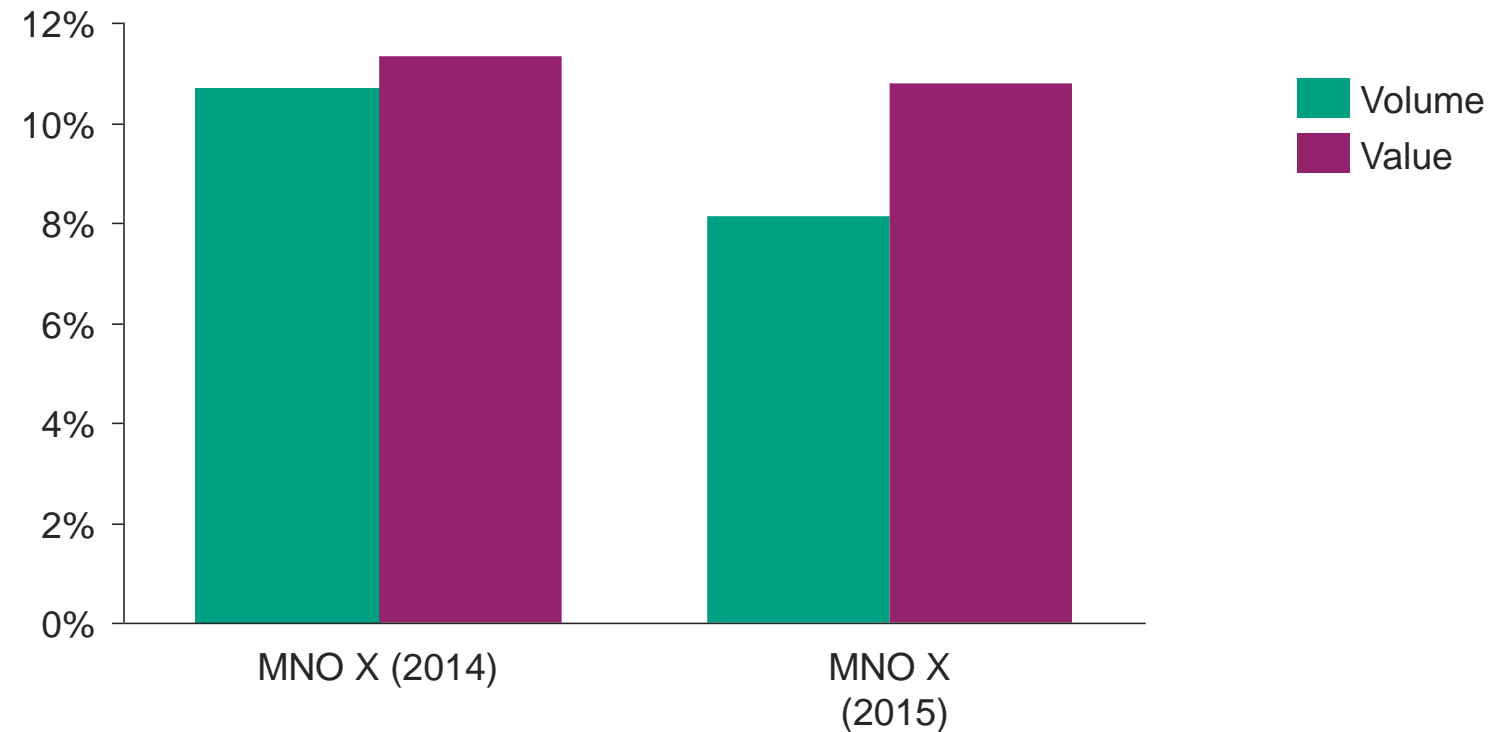
Transaction value (USD '000) growth by product
(between September 2014 and June 2015)



Sep-14 Jun-15

Share of transaction volumes and values

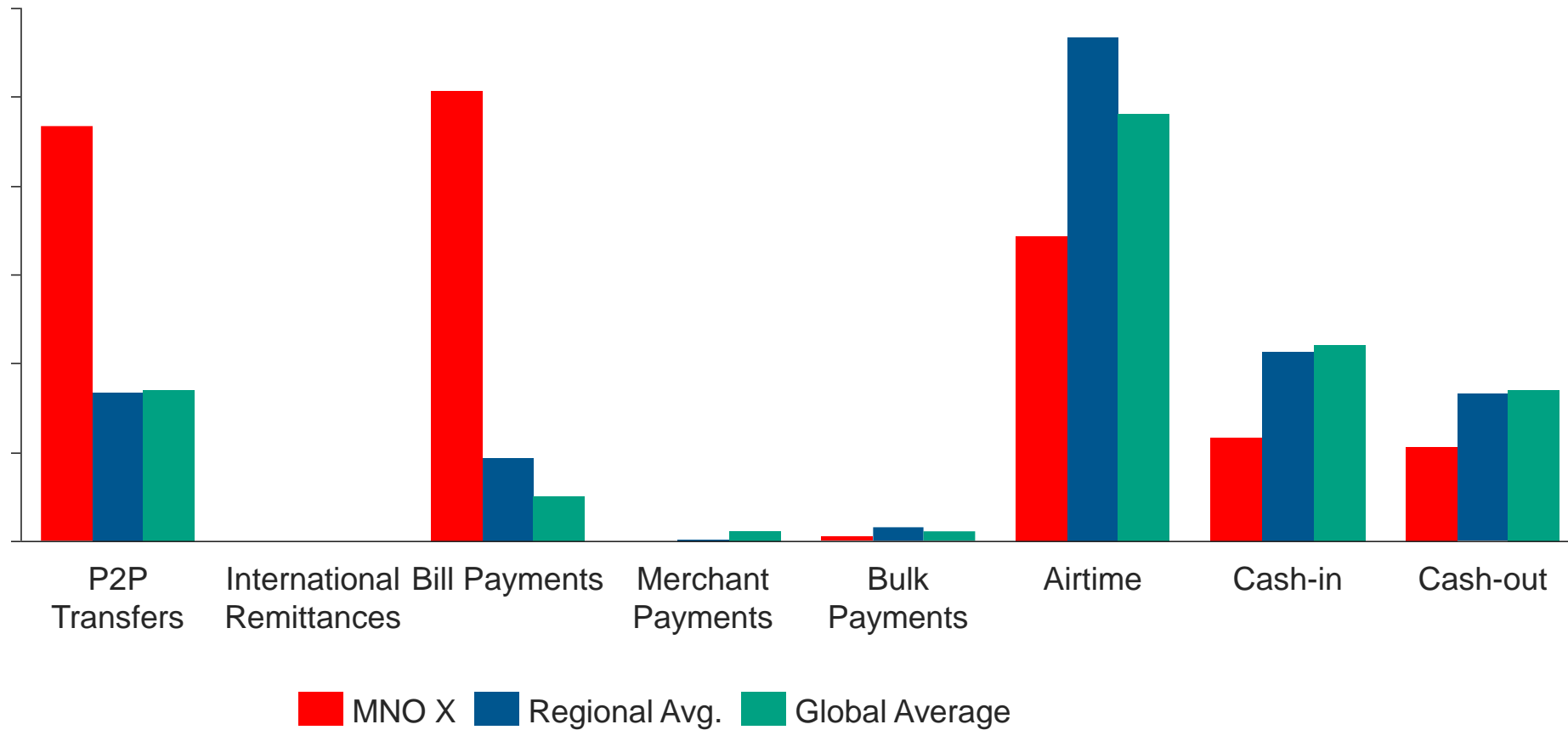
Share of your transaction volume and value against regional peers (between June 2014 and June 2015)



This chart looks at the growth of transaction volumes and values of your service in relation to the regional market. An increased share indicates that an operator has larger proportion of the market share, therefore growing faster than average.

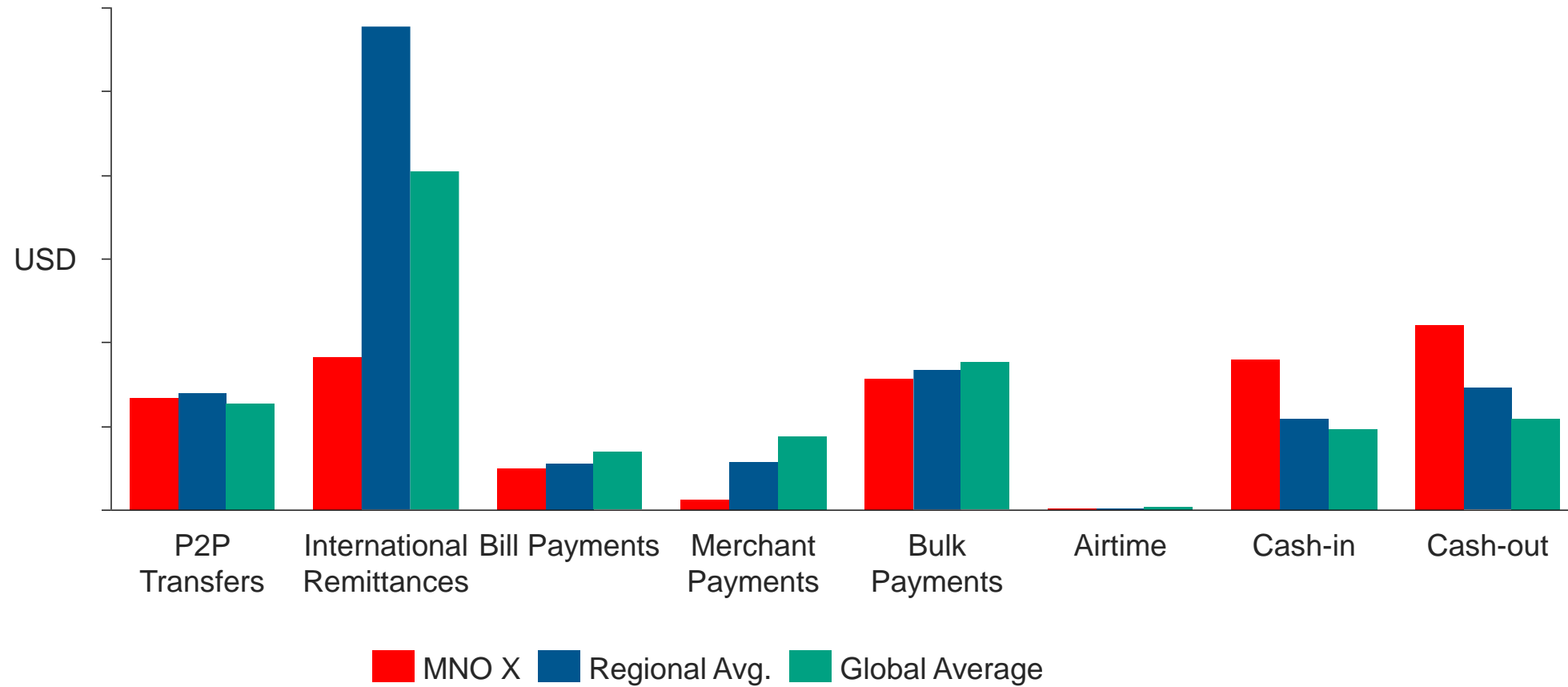
A month in the life of the average active customer – by volume

Average number of transactions per active 30 day customer (June 2015)



A month in the life of the average active customer – by value

Average value of transactions (June 2015)





DUMMY DATA

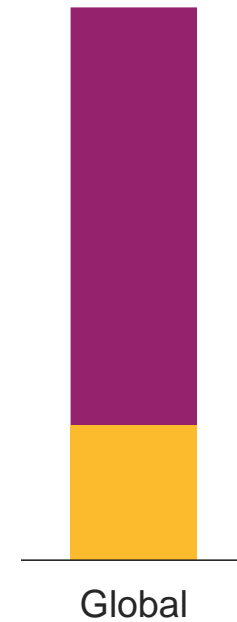
Industry collaboration continues to gather steam

Provide API
access to 3rd
parties

Connect or
collaborate with
other MNOs

Use of 3rd party
aggregators to
offer specific
product

Offer a companion
card linked to
mobile money
account



No
Planning to launch
Yes

YOU

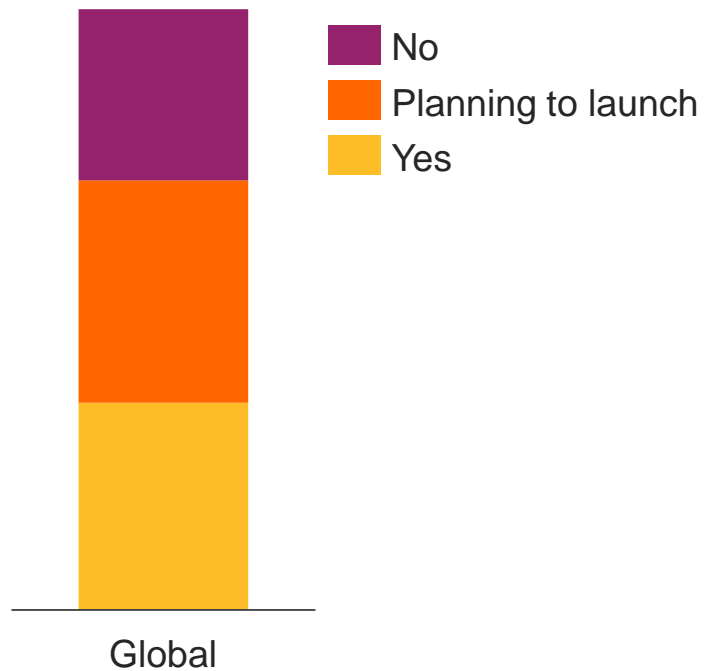
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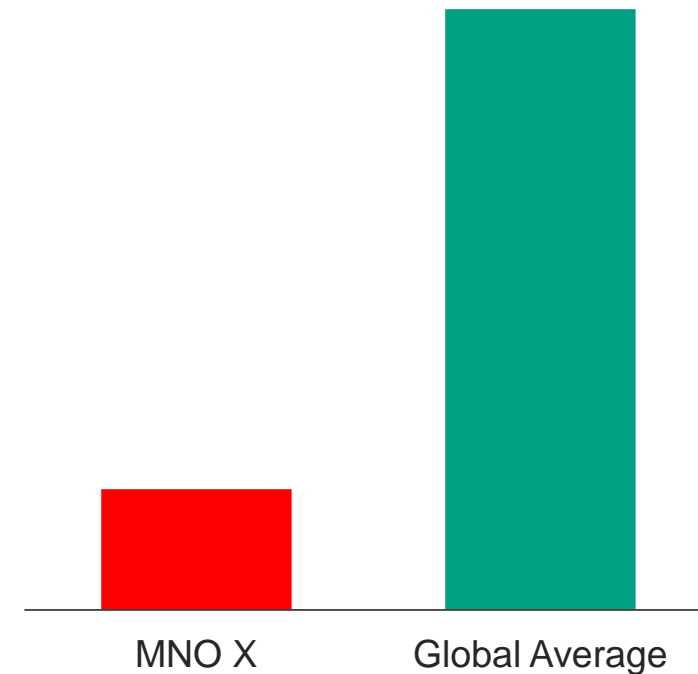


Cross-border mobile money remittances gathered momentum in 2015

Do you offer A2A international remittance service?



Average cost to transfer USD100 using mobile money



YOU (X)

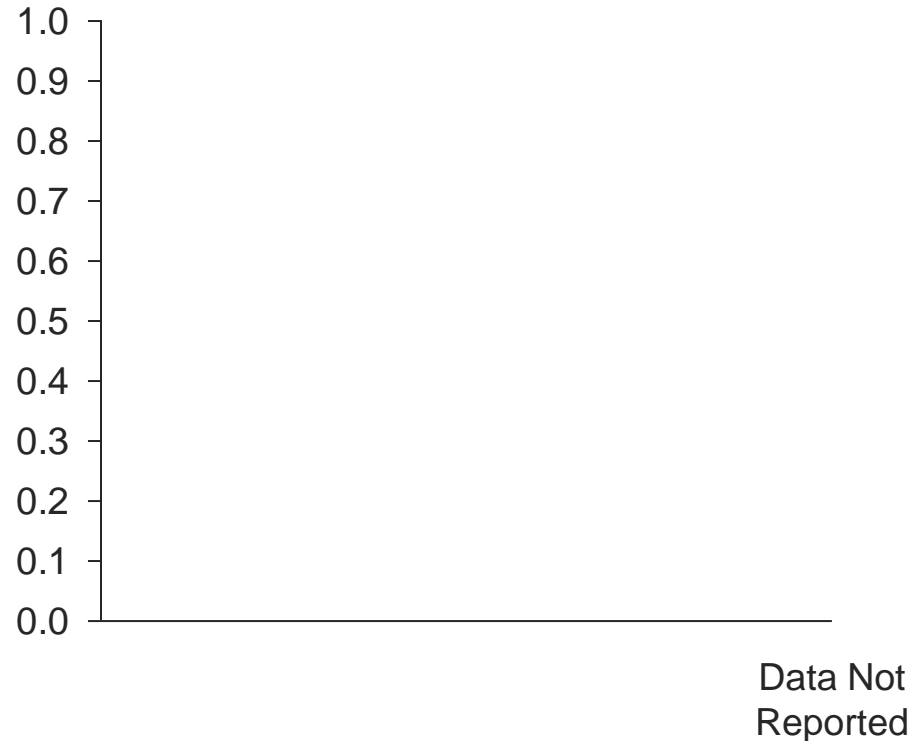




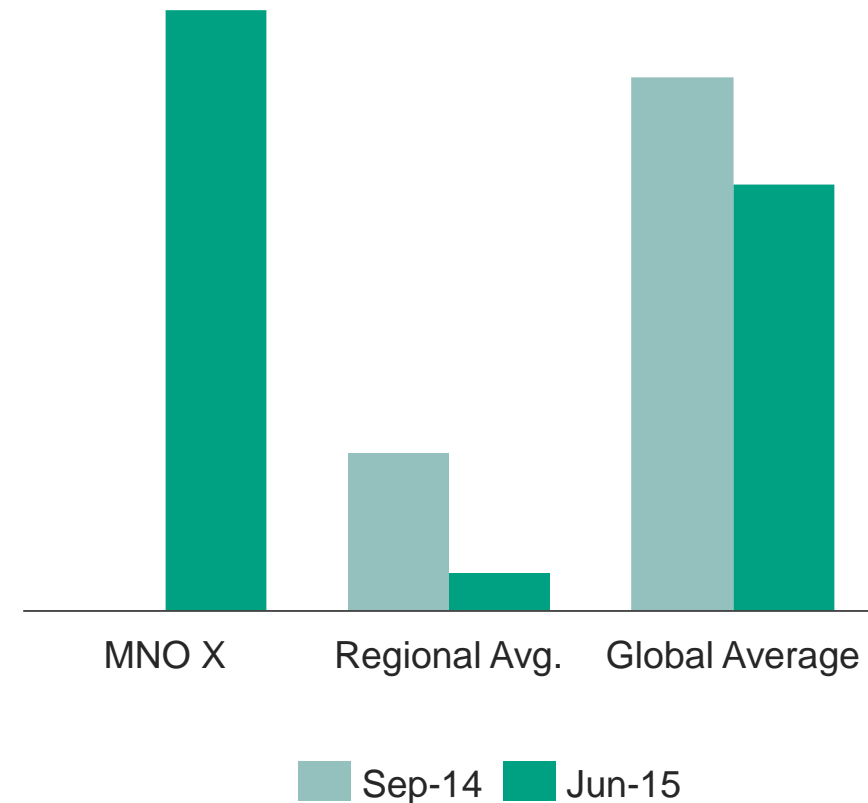
Merchant Payments

DUMMY DATA

Number of merchants per 1,000 active customers: trend

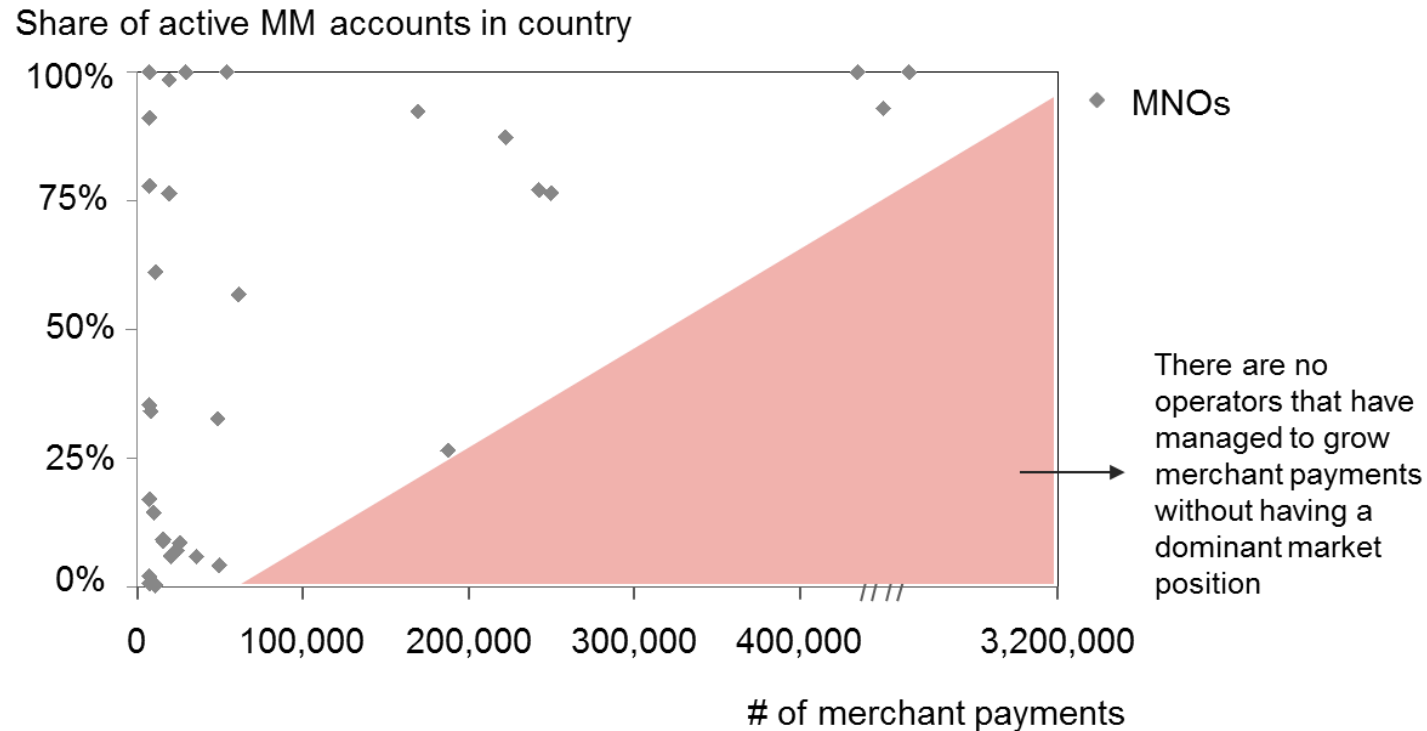


Transactions per active merchant



Success in merchant payments is highly concentrated across the industry. Four mobile money providers handle xx% of the total volume of merchant payments. These four providers also dominate overall market share in their GSM and mobile money markets, suggesting a strong opportunity for collaboration here.

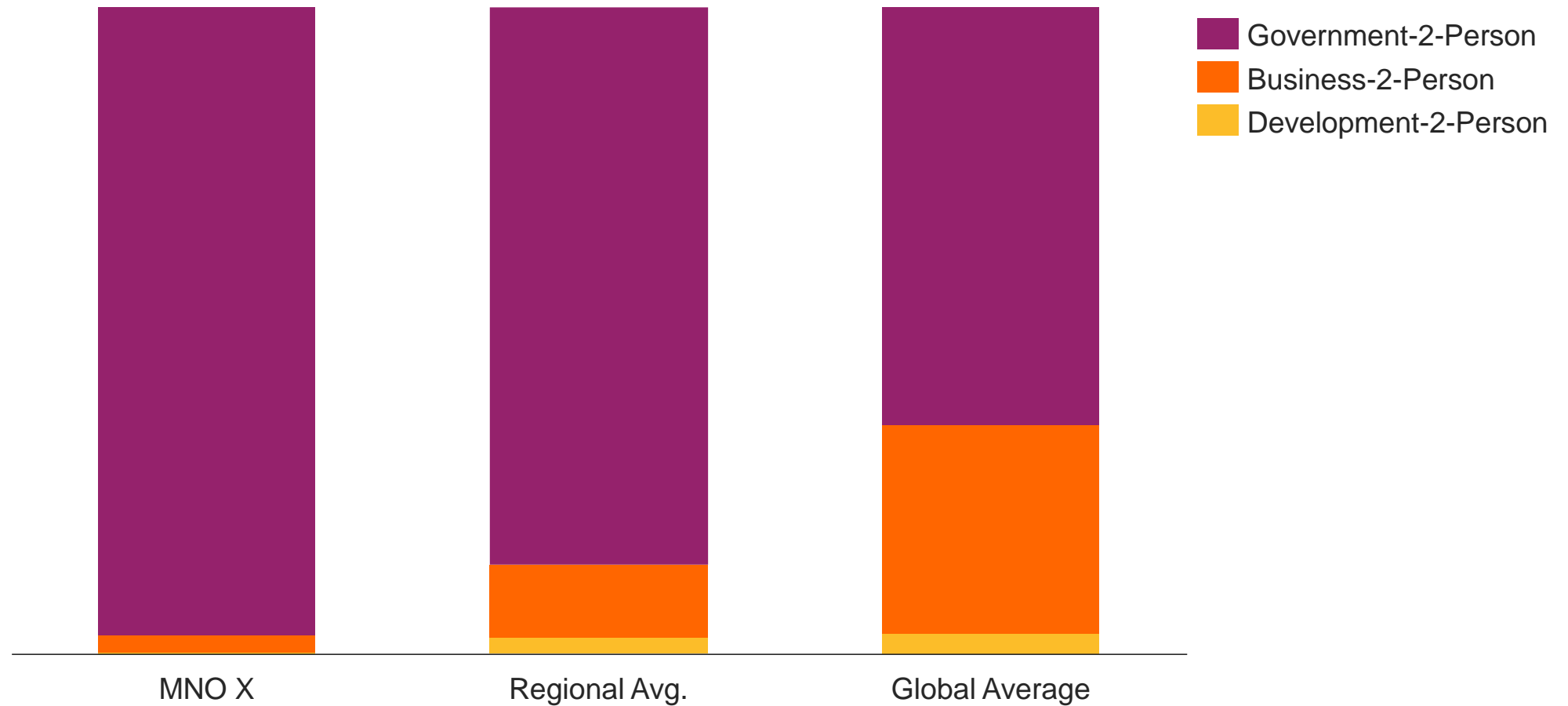
Case study: If MNOs are to scale merchant payments, collaboration is necessary



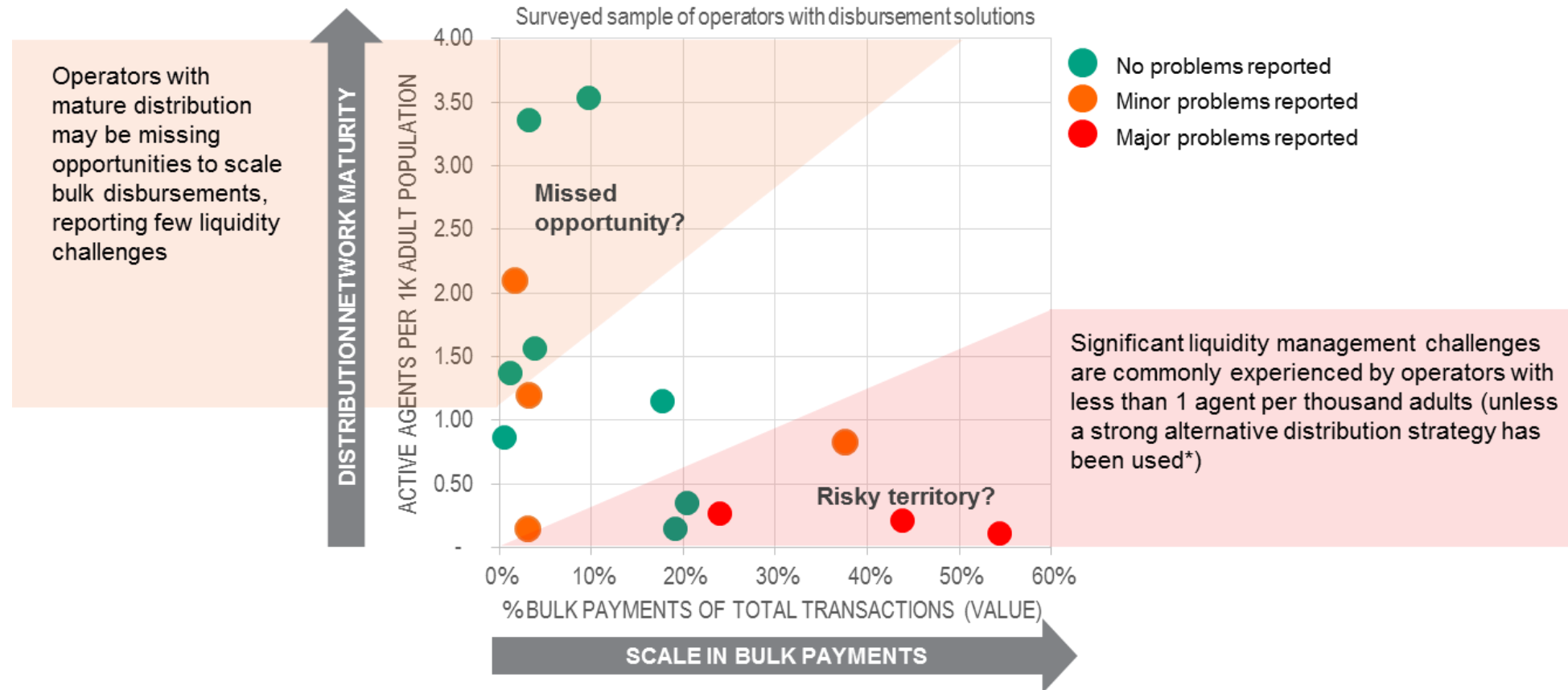
This chart looks at the number of merchant payments per operator in relation to the share of active mobile money accounts in a country. It highlights that operators that don't have a dominant position in a market have not managed to scale merchant payments. For operators that have a mature agent network but a low share of active mobile money accounts in a country, collaboration and interoperability are needed in order to scale merchant payments and capture the opportunity.

Majority of bulk disbursements are government-to-person

Bulk payment transaction mix



Case study: Mature distribution networks are a prerequisite for scaling disbursements



Source: GSMA Mobile Money Adoption Survey 2014; interviews with operators. GSMA Blog, October 1 2015 – Digitising payments for businesses, governments and NGOs Toolkit. Read [here](#) for more information.

* For example, some MM deployments built a rural network from scratch for G2P; others use ATM networks for cash-out

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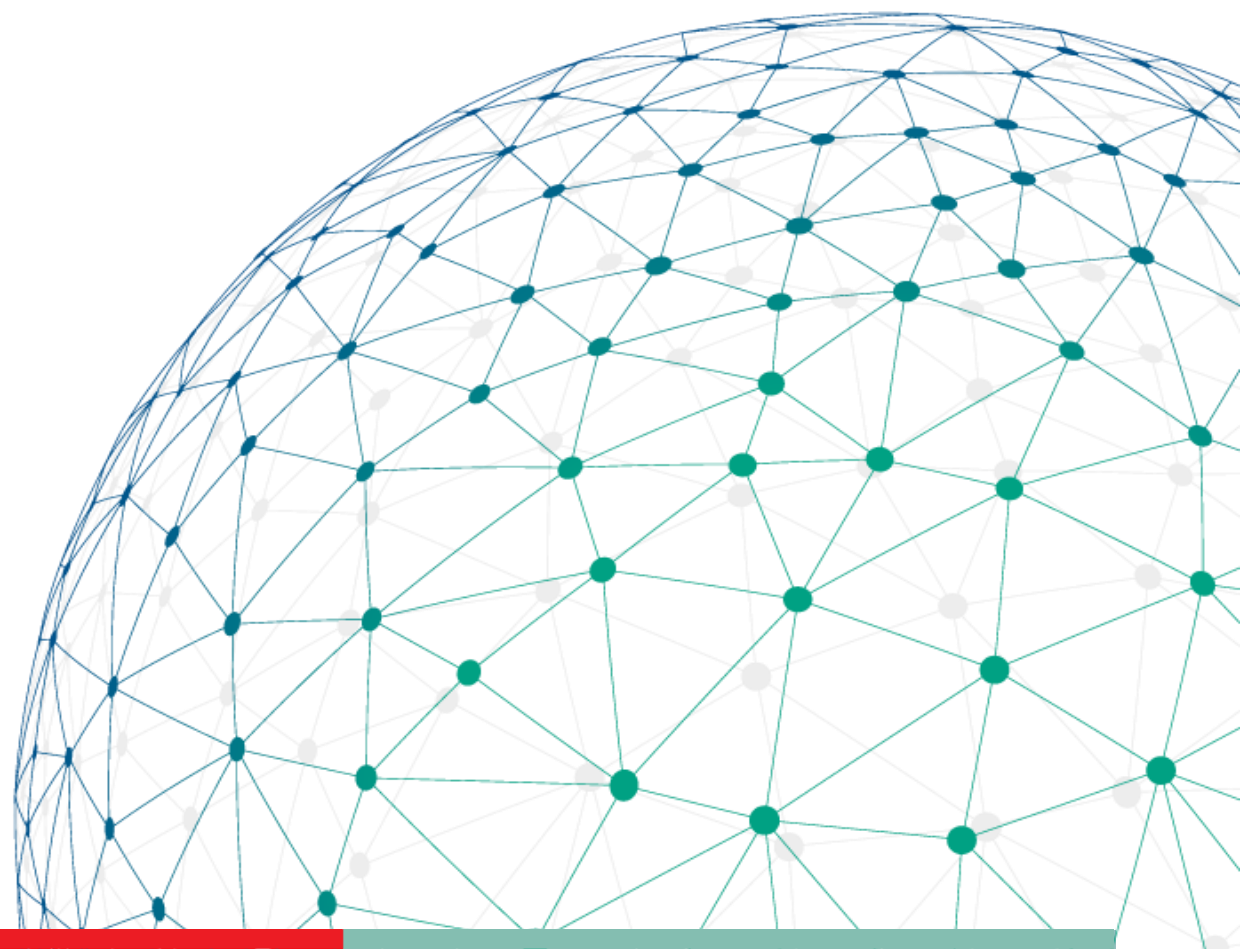
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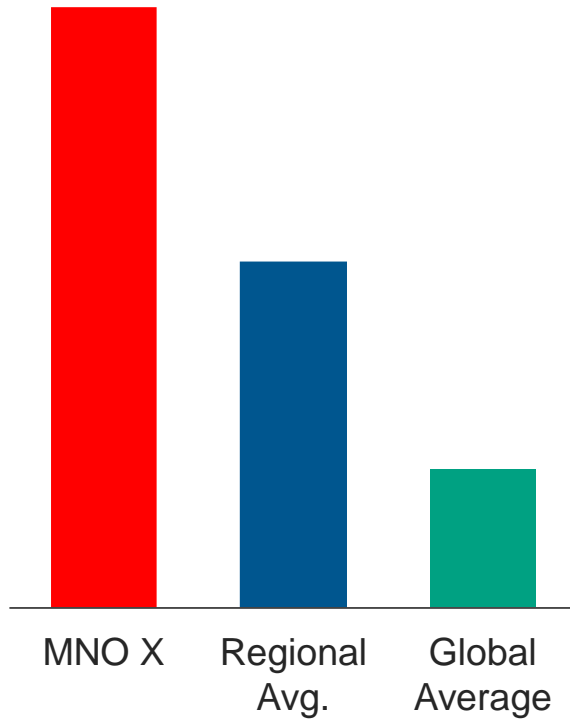




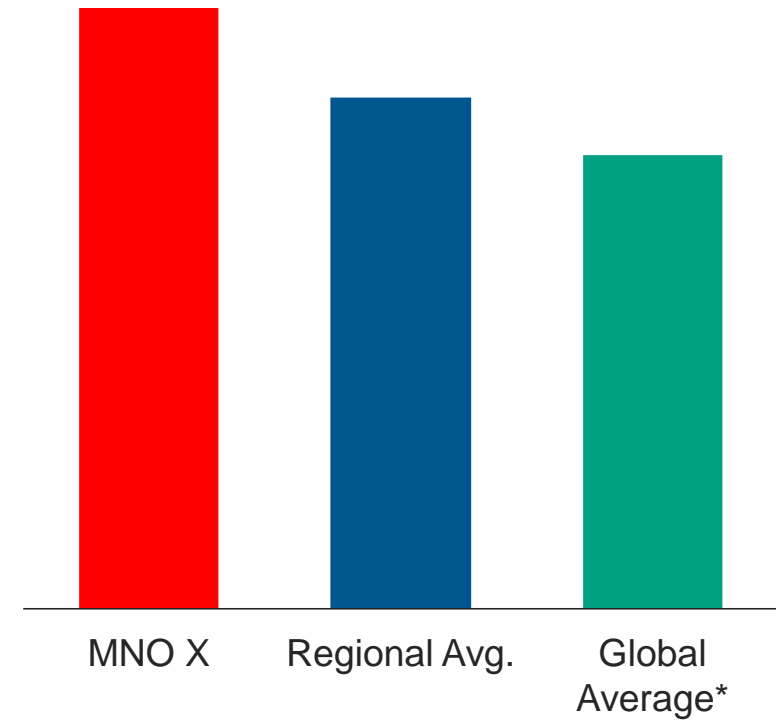
DUMMY DATA

Revenues per customer and commissions

Revenues per active customer per month, USD

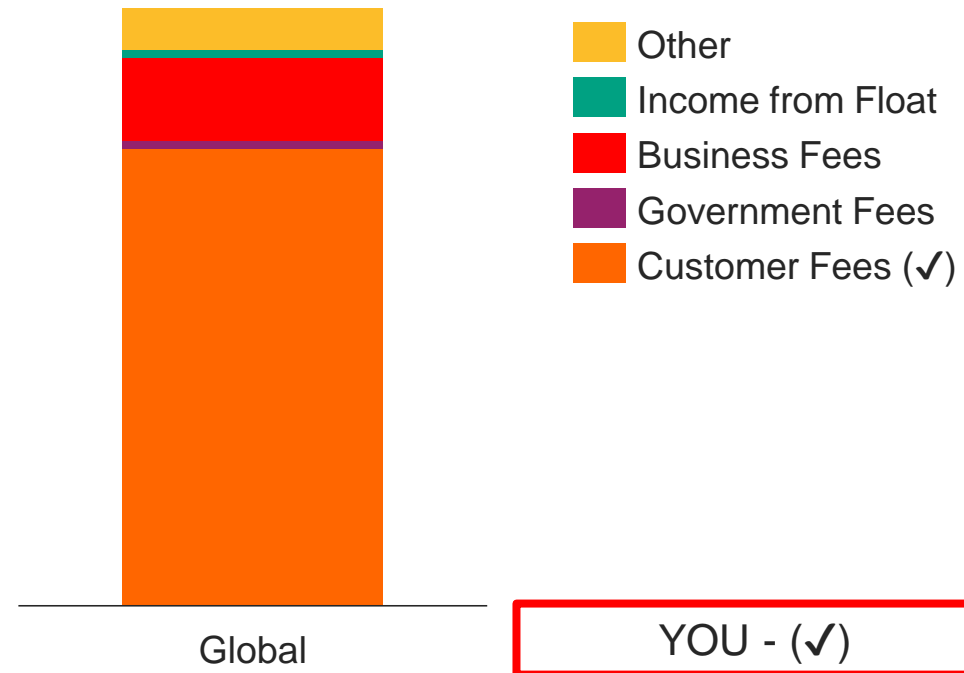


% of revenues paid out as agent commissions



*Based on the top 10 mobile money providers ranked by 90d active customers

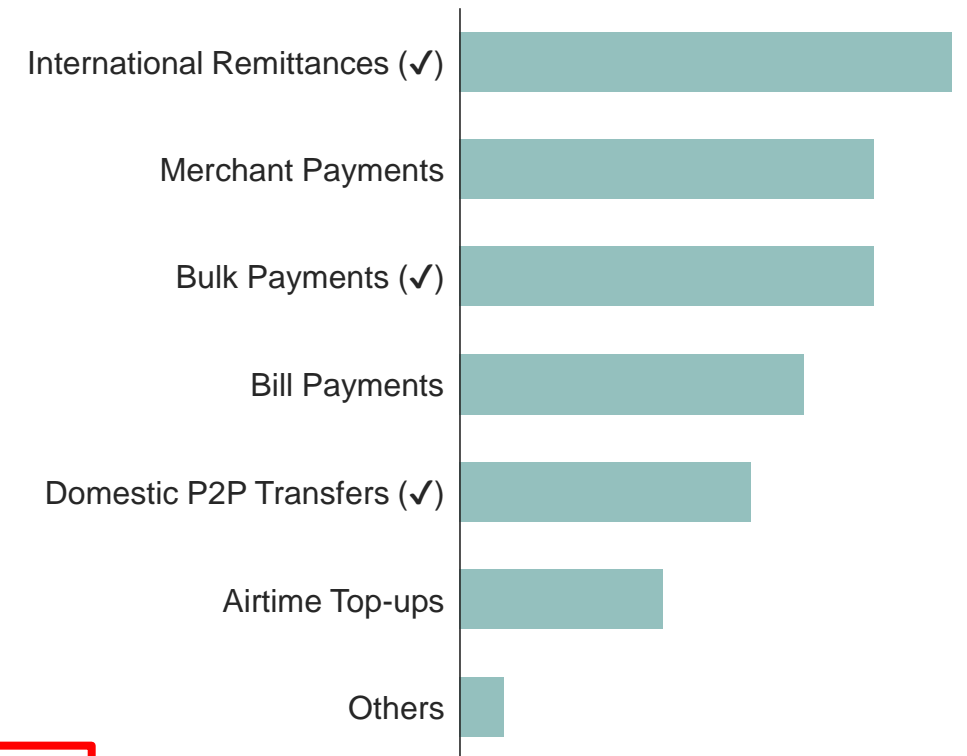
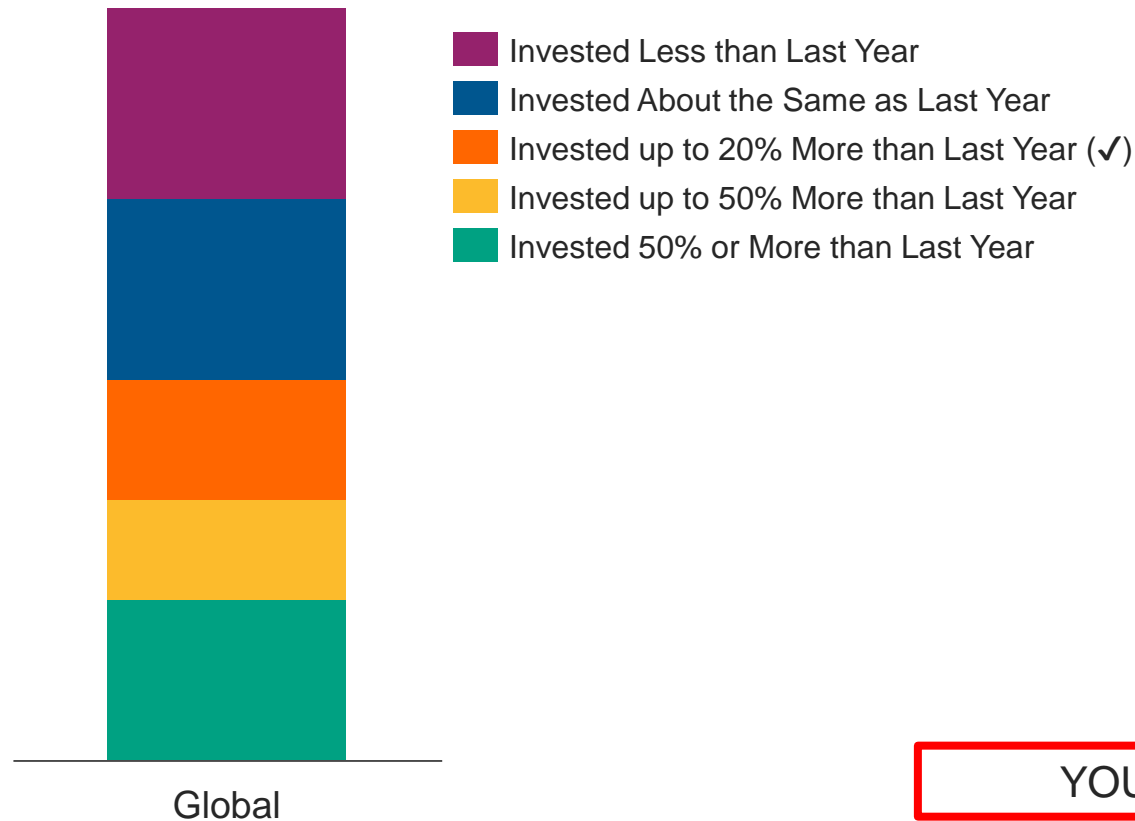
Where do most of your revenues come from? (June 2015)



Investments and product priorities

Industry planned investment in mobile money for 2015 (answers from June 2015)

Product focus in next 12 months: percentage of providers selecting product in top 3 category (answers from June 2015)



YOU - (✓)

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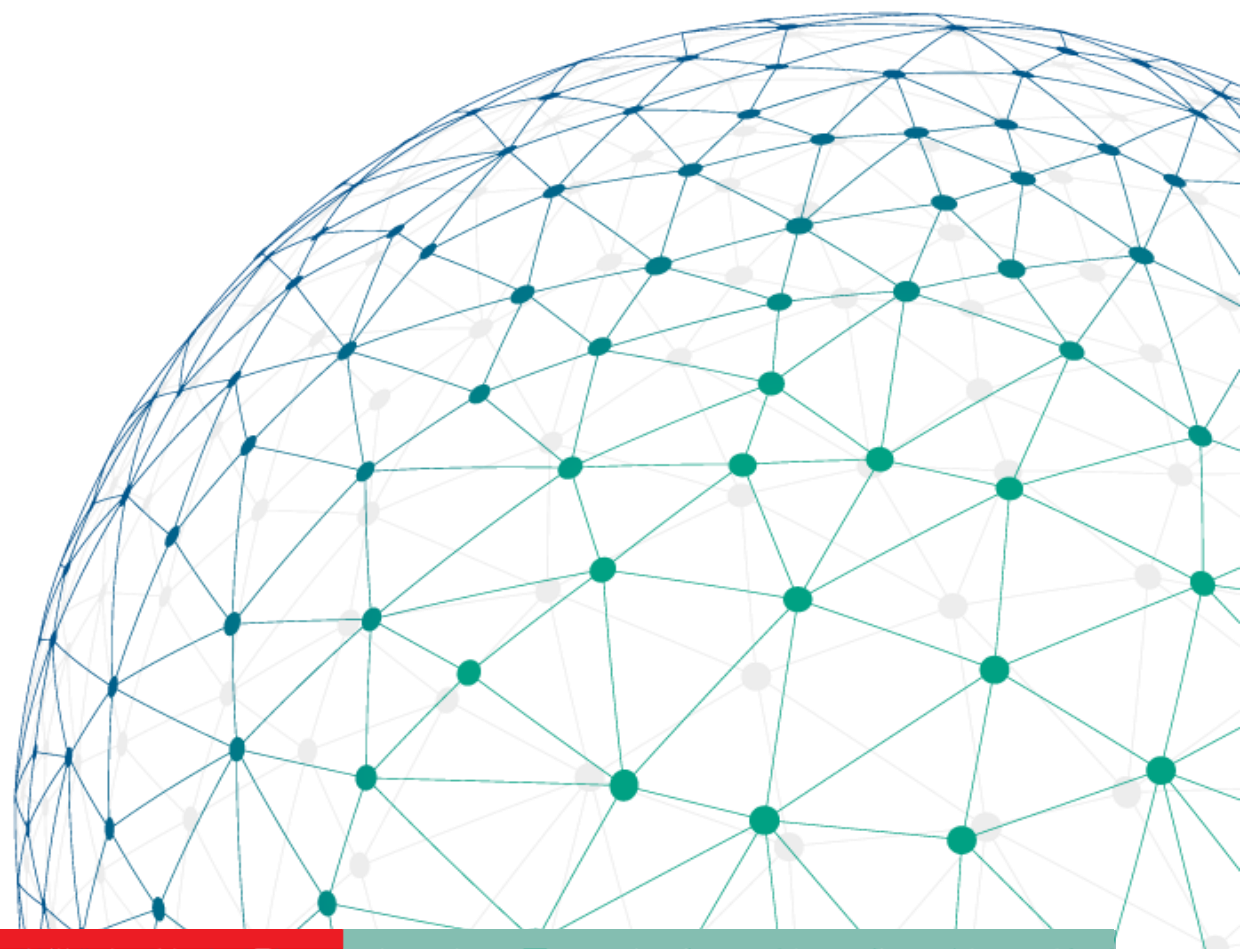
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About the GSMA Mobile Money Programme

Our **mission** is to support our members and industry stakeholders to increase the utility and sustainability of mobile money services and increase financial inclusion.

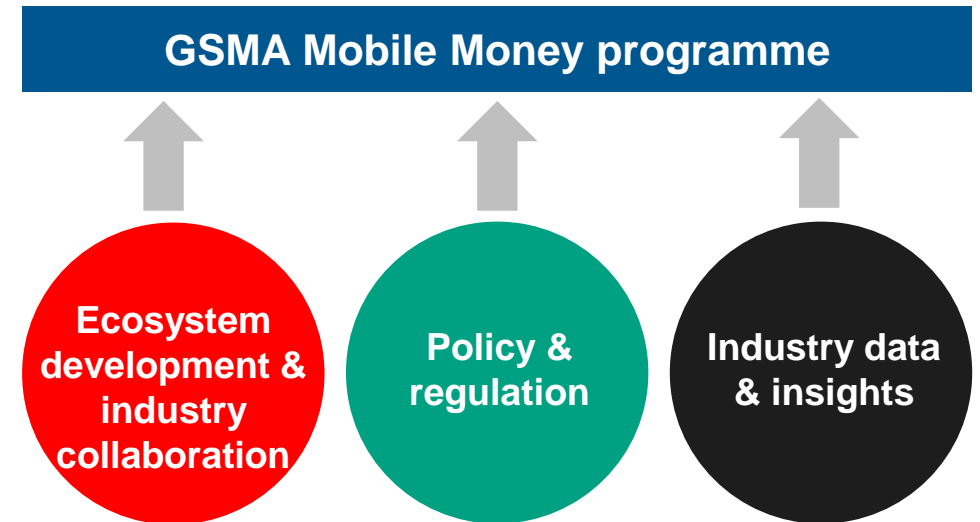
We **support the industry** across three main areas:

- Ecosystem development and industry collaboration
- Policy and regulation
- Industry data and insights

The GSMA Mobile Money Programme is supported by the Bill & Melinda Gates Foundation, The MasterCard Foundation and Omidyar Network.

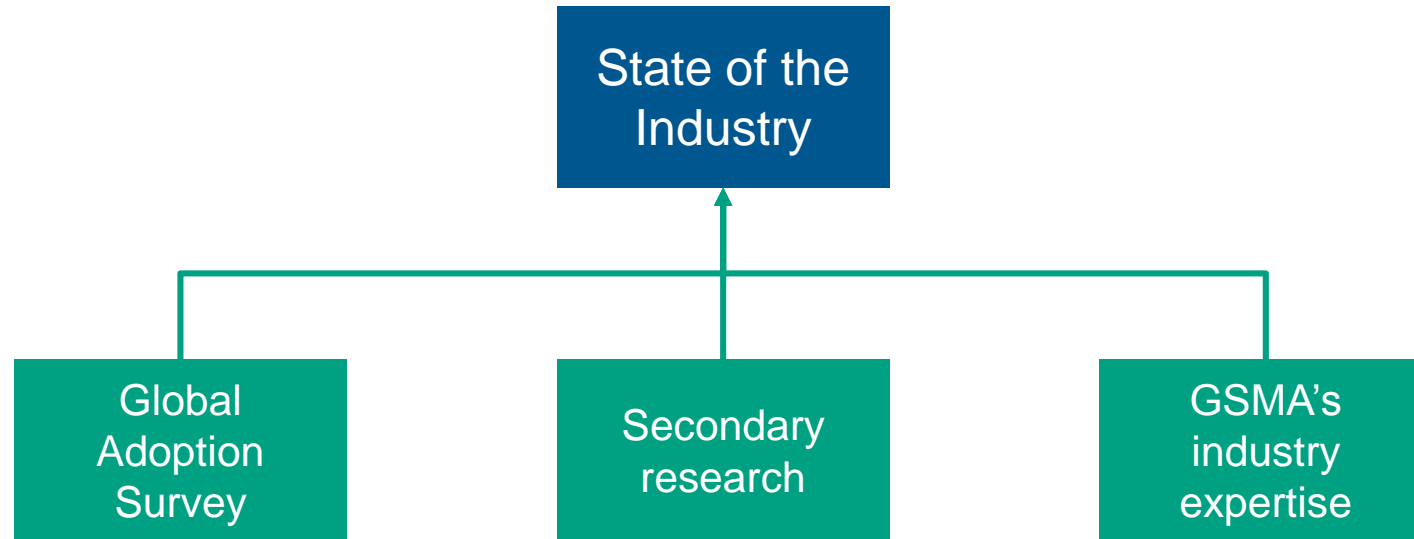
Email: mobilemoney@gsma.com

Website: www.gsma.com/mobilemoney





This report is based on data from the state of the industry study, which considered our survey as one of the sources





The 2015 Global Adoption Survey captured data across five main areas

CUSTOMERS	DISTRIBUTION	PRODUCTS	INVESTMENT & REVENUE	REGULATION
Registered customer accounts	Registered agents	P2P transfer	Mobile money revenue	KYC
Active customer accounts	Active agents	International remittance	Commissions paid to agents	
Unregistered customers	Bank branches	Bill payment	Trust account balance	
Interface used	ATMs	Merchant payment	Investment in mobile money	
		Bulk payment		
		Airtime top-up		
		Cash-in & cash-out		

Area

Data collected



Glossary [1/3]

Term	Description
Mobile money account – registered	An e-money account which is primarily accessed using a mobile phone and which is held with the e-money issuer. In some jurisdictions, e-money accounts may resemble conventional bank accounts, but are treated differently under the regulatory framework because they are used for different purposes (for example, as a surrogate for cash or a stored value used to facilitate transactional services).
Mobile money account – active	An active mobile money account is a mobile money account which has been used to conduct at least one transaction during a certain period of time (usually 90 days or 30 days).
Unregistered mobile money customer	Unregistered users include both people transacting over-the-counter in the case of OTC services, and unregistered recipients of off-net P2P transfers in the case of account-based services.
Interface used	To access mobile money services via a mobile handset, users can usually use interfaces such as USSD, SIM toolkit (STK), interactive voice response (IVR) and applications.
Agents - registered	In the case of mobile money, an agent outlet is a location where one or several mobile money agents are contracted to facilitate transactions for users.
Agents - active	An active agent outlet is an agent outlet that facilitated at least one transaction within the last 30 days.



Glossary [2/3]

Term	Description
Bank branches	Bank branches that customers can use to access mobile money services.
ATMs	ATMs that customers can use to access mobile money services.
P2P transfer	A domestic transfer made from one person to another person.
International remittance	Cross-border fund transfer from one person to another person. This transaction can be a direct mobile money remittance, or can be completed through the use of an intermediary organisation such as Western Union.
Bill payment	A payment made by a person from either their mobile money account or over-the-counter to a biller or a billing organisation via a mobile money platform in exchange for services provided.
Merchant payment	A payment made from a mobile money account via a mobile money platform to a retail or online merchant in exchange for goods or services.
Bulk disbursement	A payment made by an organisation via a mobile money platform to a person's mobile money account. For example: salary payments made by an organisation to an employee's mobile money account (B2P: business-to-person), payments made by a government to a recipient's mobile money account (G2P), or payments made by development organisations to beneficiaries (D2P).



Glossary [3/3]

Term	Description
Airtime top-up	Purchase of airtime via mobile money, funded from a mobile money account.
Cash-in	The process by which a customer credits their account with cash. This is usually via an agent who takes the cash and credits the customer's mobile money account with the same amount of e-money.
Cash-out	The process by which a customer deducts cash from their mobile money account. This is usually via an agent who gives the customer cash in exchange for a transfer of e-money from the customer's mobile money account.
KYC	Financial institutions and regulated financial services providers are obligated by regulation to perform due diligence to identify their customers. The term is also used to refer to the regulation which governs these activities. The FATF (Financial Action Task Force) recommends a risk-based approach to due diligence for AML/CFT (anti-money laundering and counter-financing of terrorism) controls. Due to the lack of formal identity documents in some markets, solutions such as tiered KYC and adjusting acceptable KYC documentation can help mobile money providers facilitate customer adoption and increase financial inclusion, especially in rural areas.



Citation policy and Disclaimer

Citation policy

- All reports have been prepared to ensure confidentiality of each individual deployment. This is a confidential report prepared by the GSMA Mobile Money team for Telenor Pakistan exclusively.
- Should you wish to cite this report, please refer to it as follows: 'Telenor Pakistan 2015 Mobile Money Benchmarking Report, GSMA Mobile Money'

Disclaimer

- This report has been prepared based on the data collected through GSMA Global Mobile Money Adoption Survey as of 15/10/2015. Additional data submitted by mobile money providers after this date could not be included in this report; additional data may change the value of averages or medians. However, we believe that it would not change substantially the meaning of your benchmarks.
- Please contact us and let us know of any information that we have may have missed or needs correction.



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