



2016
The State of
Mobile Money in
Sub-Saharan Africa





Over the last decade, global mobile money adoption has been driven by growth in Sub-Saharan Africa

Deployments

	2006	2016
Sub-Saharan Africa	2	140
Global	7	277



Countries

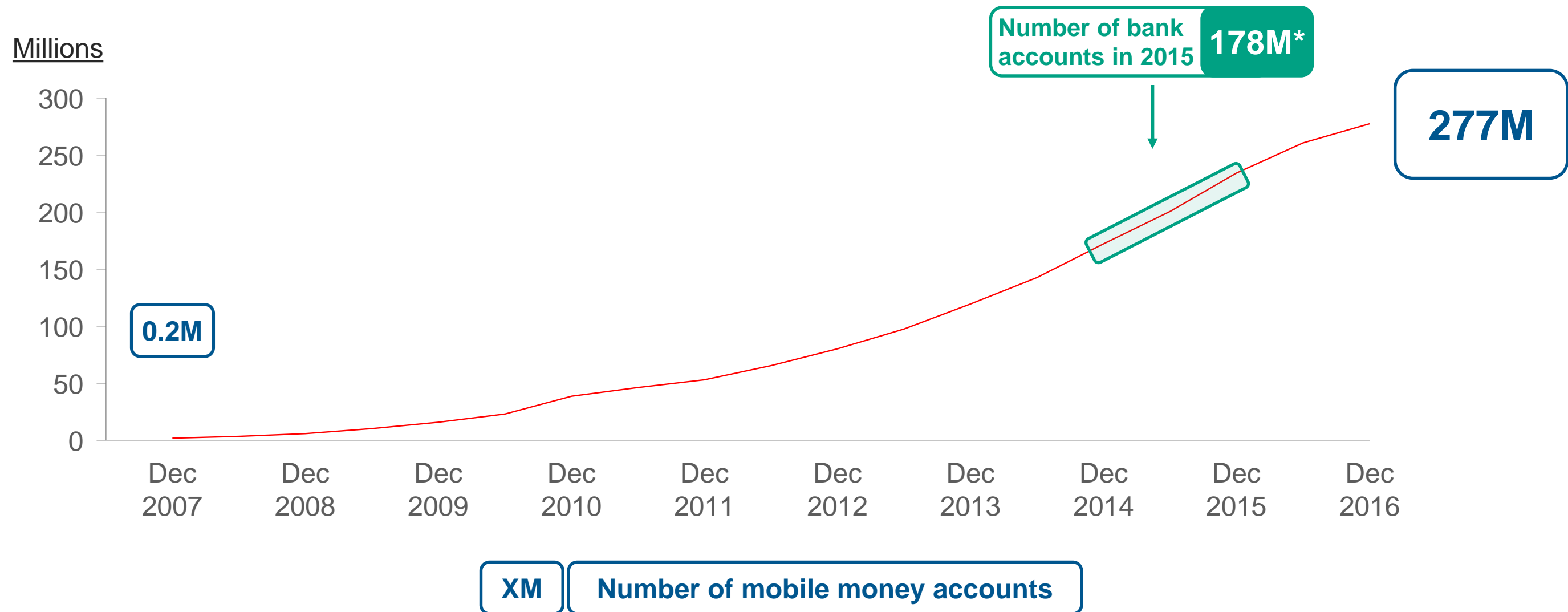
	2006	2016
Sub-Saharan Africa	2	39
Global	5	92





With more money mobile accounts than traditional bank accounts, financial inclusion has significantly improved in Sub-Saharan Africa

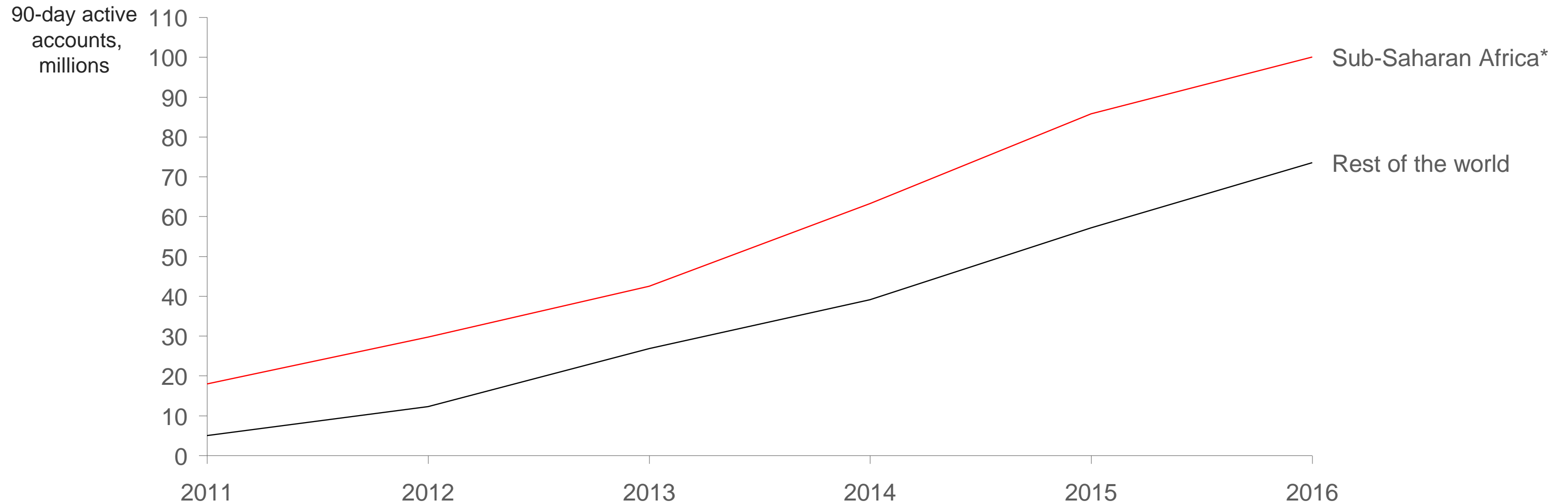
Growth of registered mobile money accounts in Sub-Saharan Africa, 2006 to 2016





Mobile money account adoption in Sub-Saharan Africa has outpaced growth in the rest of the world

Growth of 90-day active mobile money accounts, 2011 to 2016



*Sub-Saharan Africa comprises: East Africa, Central Africa, Southern Africa, West Africa



More than 40% of the adult population is using mobile money on an active basis in seven Sub-Saharan African countries

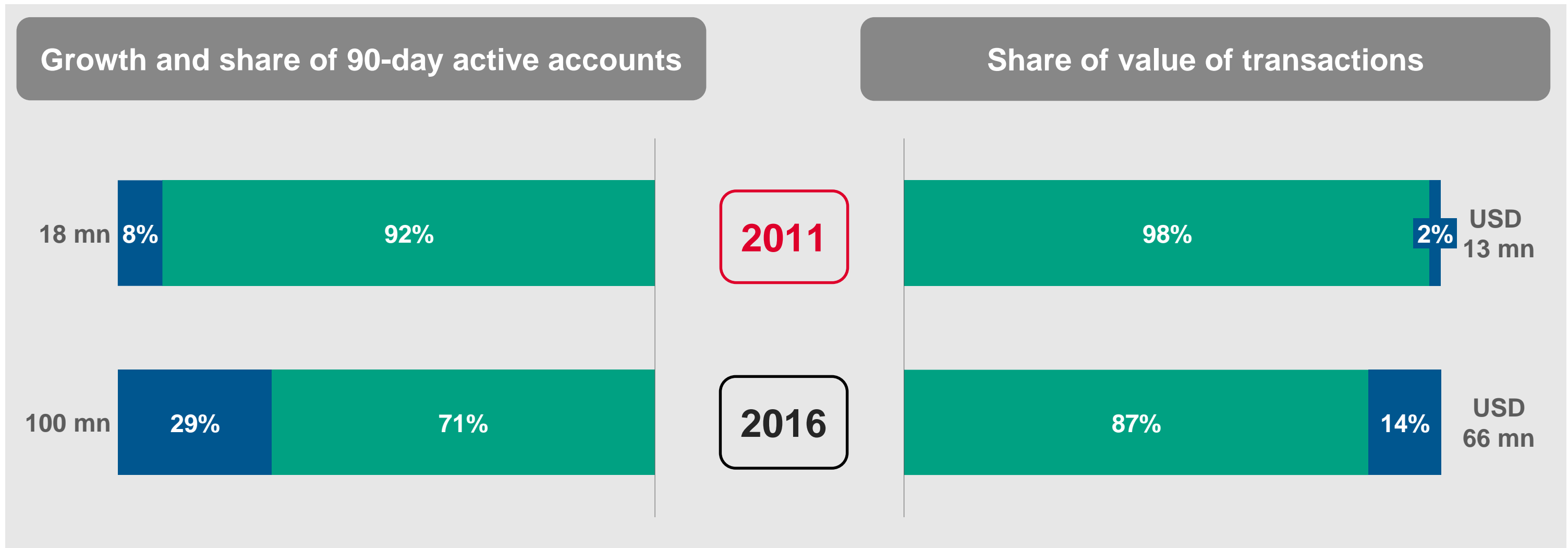
Gabon
Ghana
Kenya
Namibia

Tanzania
Uganda
Zimbabwe





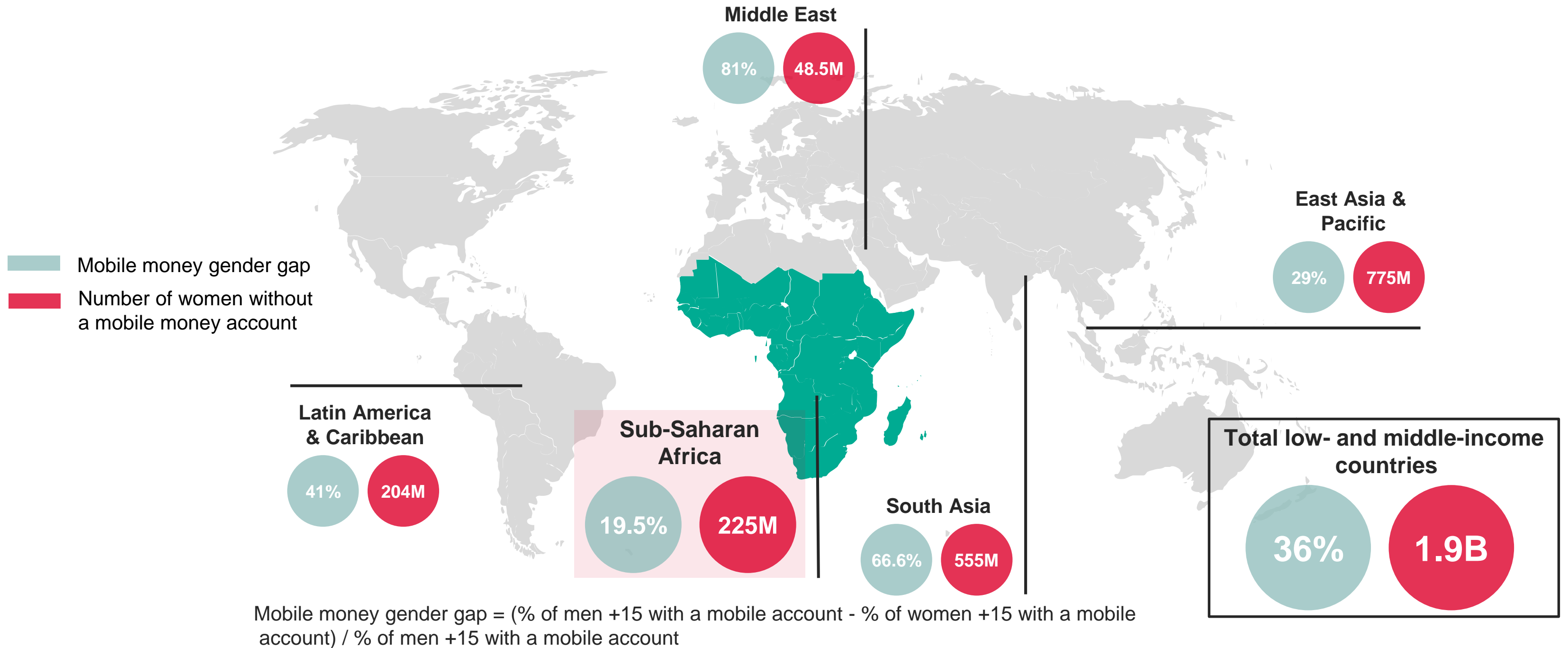
Regionally, mobile money adoption is being driven by growth in West Africa



West Africa Rest of Africa



Sub-Saharan Africa has a smaller gender gap to bridge than other emerging regions

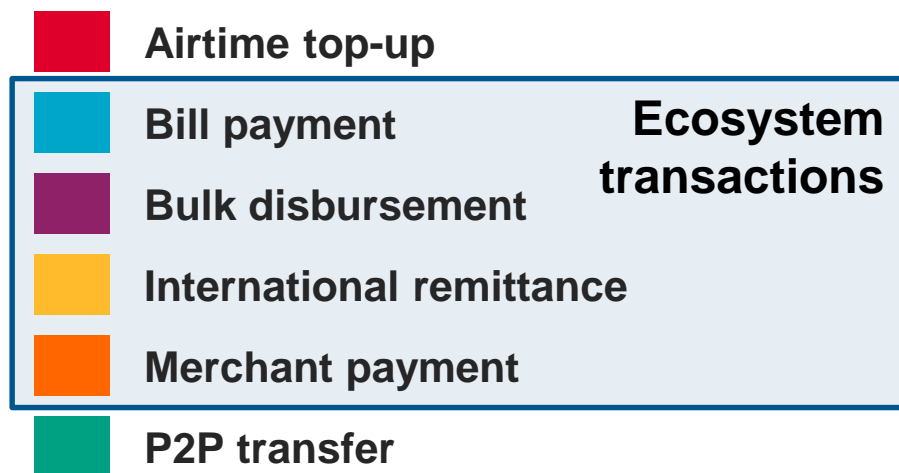




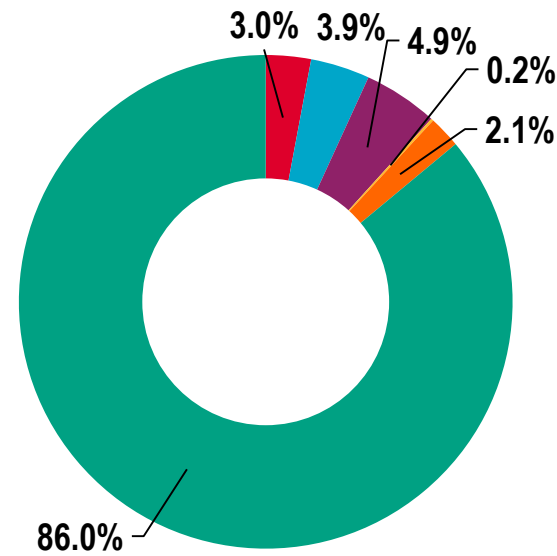
Transactions have diversified from airtime top-ups and P2P transfers to more sophisticated use cases...

Sub-Saharan Africa Product Mix 2011 to 2016

Key

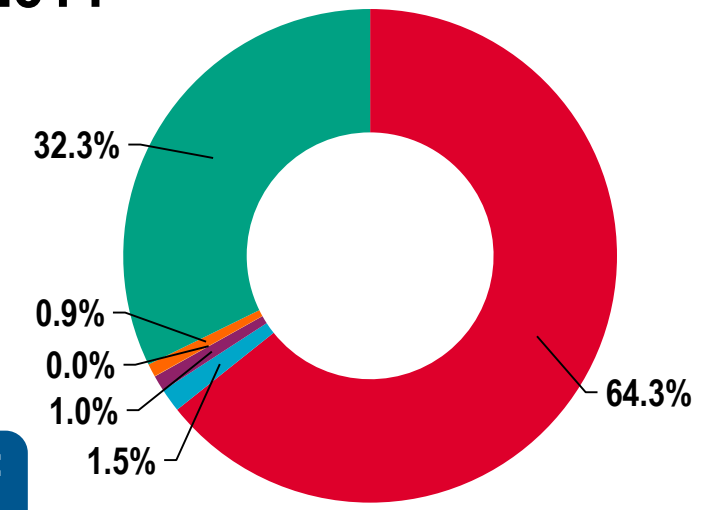


Values, 2011



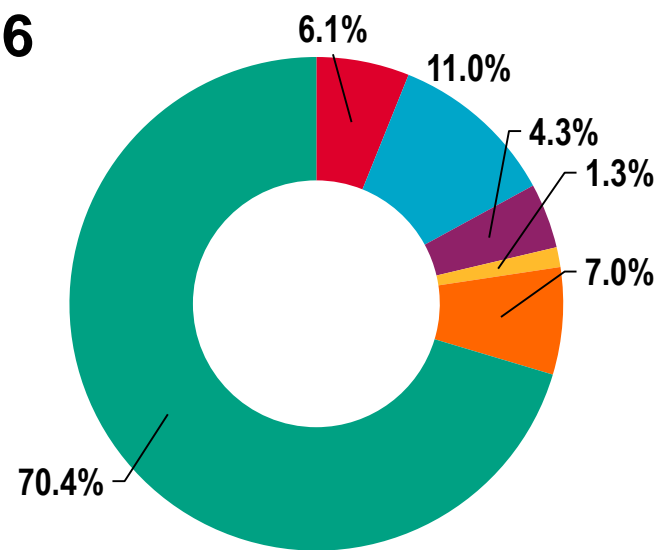
Ecosystem: 11%

Volume, 2011



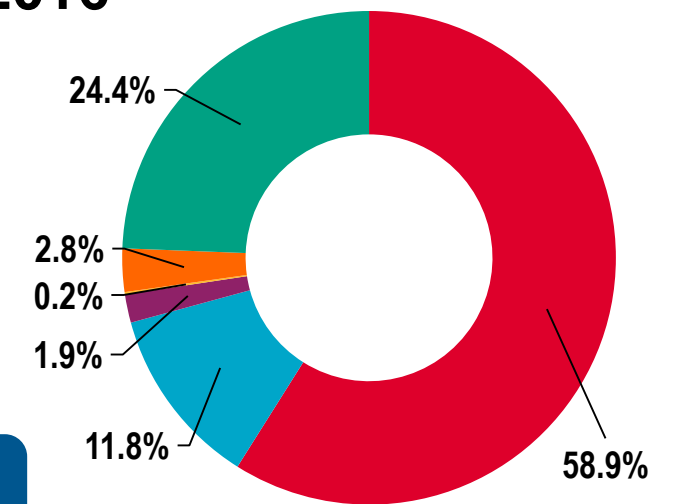
Ecosystem: 4%

Values, 2016



Ecosystem: 24%

Volume, 2016

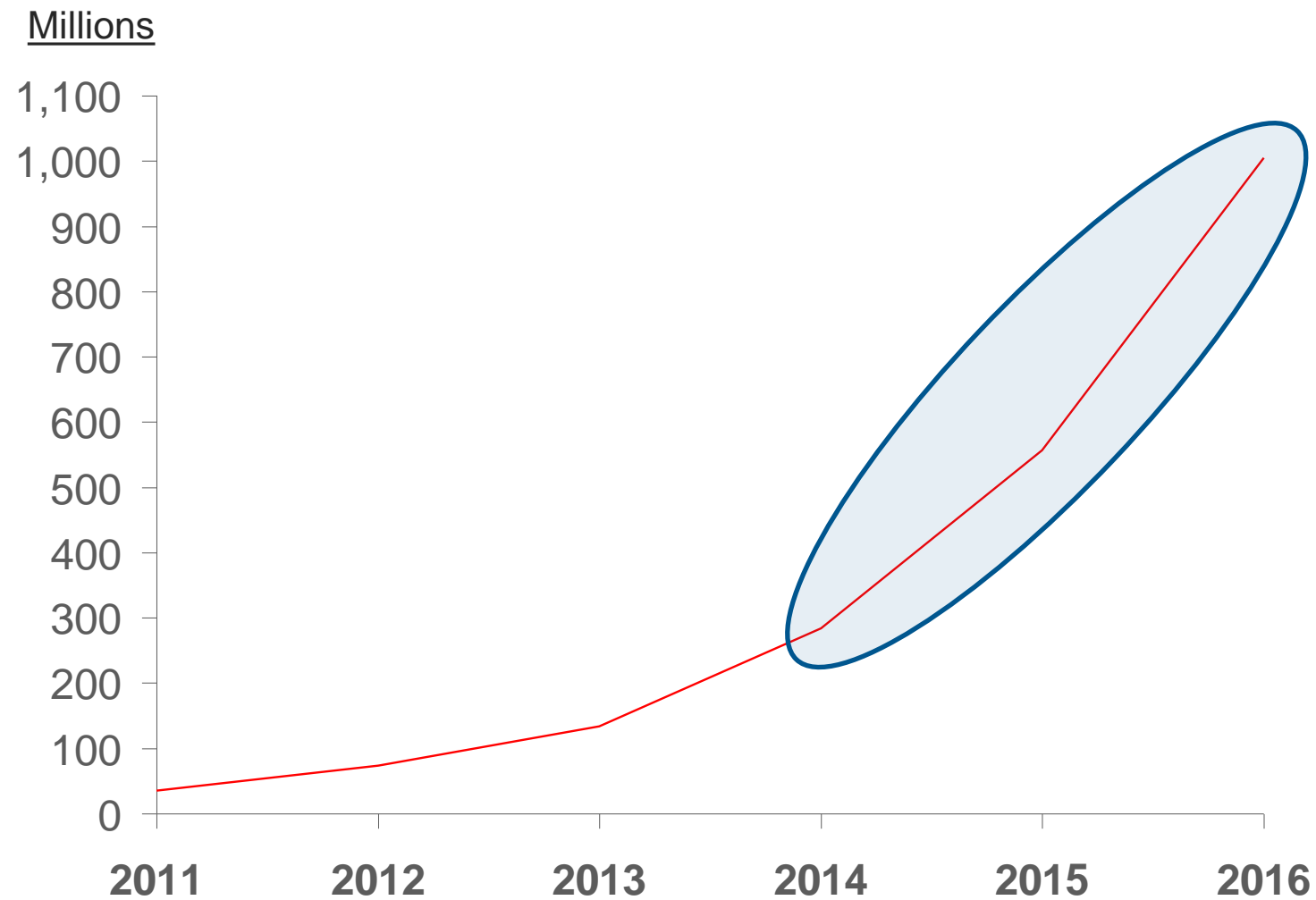


Ecosystem: 17%



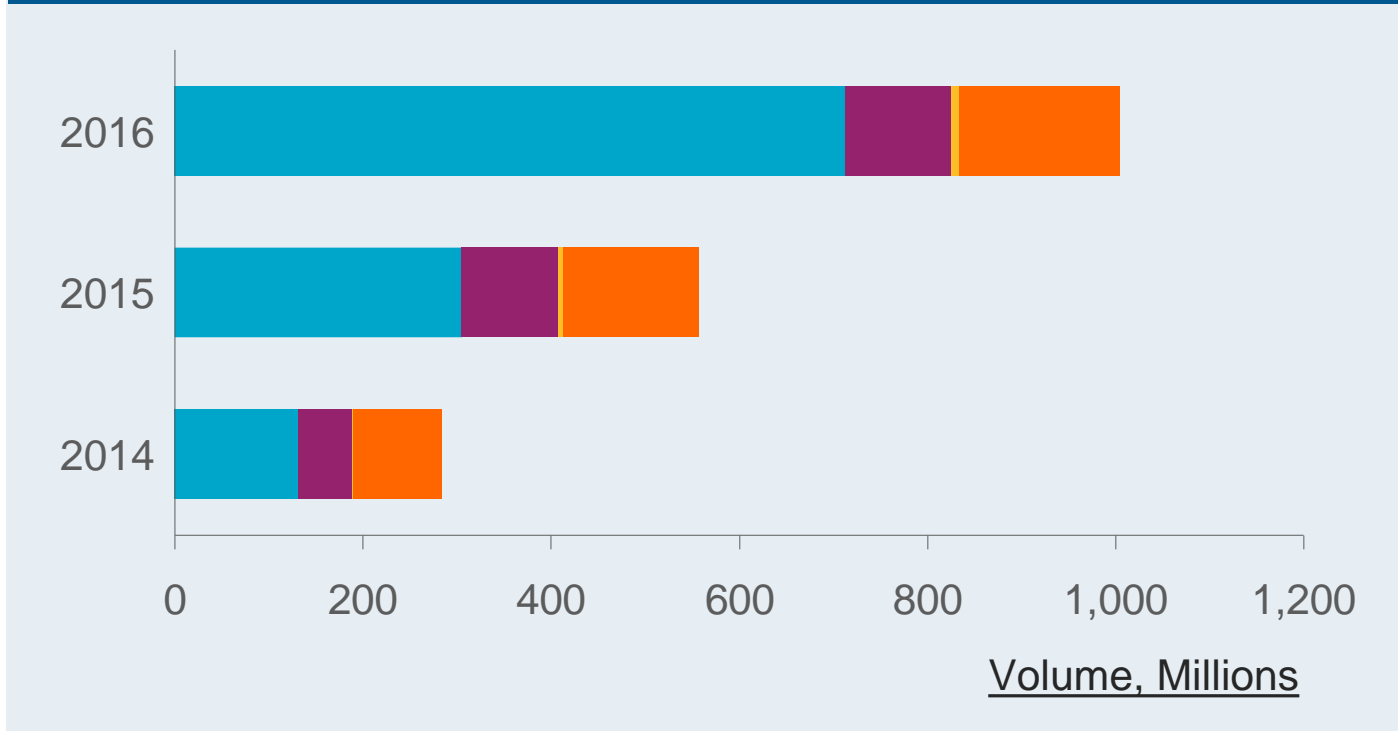
...which have been driven by a significant rise in bill payments

Ecosystem transaction volumes, 2011 to 2016



CAGR, 2011 to 2016 **96%**

Ecosystem payments almost quadrupled between 2014 and 2016, driven by bill payments



■ Bill payment ■ International Remittance
■ Bulk disbursement ■ Merchant payment

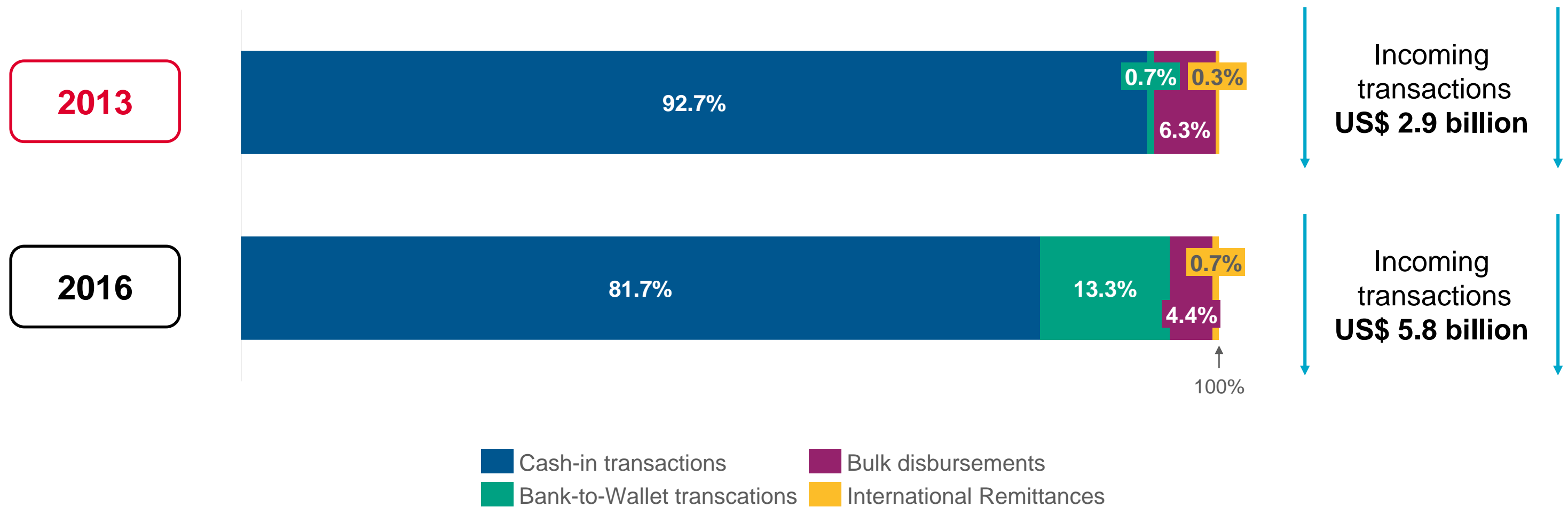
Note: CAGR stands for Compound Annual Growth Rate.

CAGR represents the mean rate of growth between two time periods, assuming that growth has been compounding over that time period.



Incoming transactions show a prevailing reliance on agents, while cash digitisation has increased

Evolution of incoming transactions in Sub-Saharan Africa, 2013 vs 2016

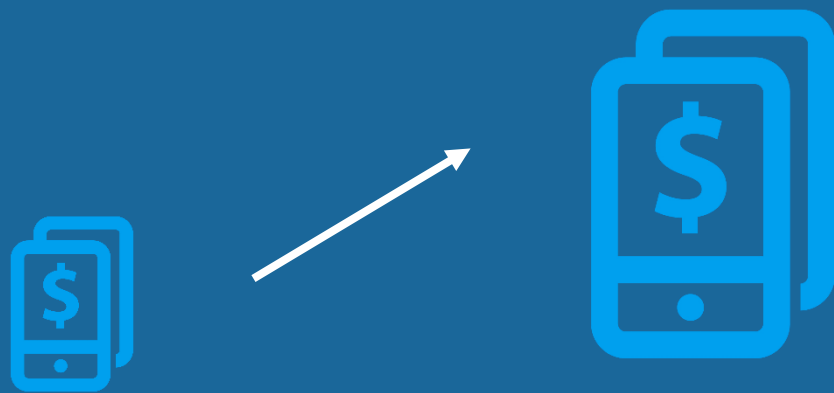




As revenue continues to rise, agent commission distribution allows for greater employment and income generation for SMEs

Between September 2015 and June 2016, mobile money revenue in Sub-Saharan Africa grew by

27%



Leading mobile money operators in Sub-Saharan Africa paid out



47%

of their revenues as commission. This amounted to over US\$ 400 million in 2016





A ten-fold increase in agent reach over five years may have driven mobile money growth in Sub-Saharan Africa...

	Agents per 1,000 adults	Active agents in Sub-Saharan Africa	
2011	0.18	~100,000	
2016	1.75	~1.5 million	



...with an increasing number of enabling markets also allowing for a rise in mobile money use





Mobile-enabled insurance and savings services have seen growth across the region...

60 Mobile money-enabled insurance services in

17 Countries

Ten million policies issued by June 2016



As at June 2016

18 Mobile money-enabled savings services in

10 Countries



As at June 2016



...while mobile credit services have made great strides in mature mobile money markets, particularly in Kenya and Tanzania

Mobile credit services in sub-Saharan Africa			
2011		2016	
6 services	1 country	39 services	11 countries
Kenya		Cameroon Ghana Kenya Malawi Nigeria Rwanda	Senegal Tanzania Uganda Zambia Zimbabwe

	M-Shwari Kenya*	M-Pawa Tanzania*
Established	2012	2014
Number of accounts	~15 million	~5 million
Value of loans disbursed	US\$ 1.3 billion	US\$ 22 million
Non-performing loan ratio	1.92% (Kenya: 5.3%)	8.52% (Tanzania: 8.3%)

*As at June 2016



Mobile money use has generated positive externalities for other industries, especially in providing services for rural communities

Water and sanitation | Tanzania

TZS 1 billion per month*

additional revenue collected via mobile money by the Dar es Salaam Water and Sewerage Corporation in 2013, increasing revenue by 38%

Education | Côte d'Ivoire

99.3%

the proportion of 1.7 m secondary school students who paid their annual school registration fee via mobile money in 2015-2016

Energy | East Africa

Over 500,000**

the number of household solar power kits sold by M-KOPA in Kenya, Uganda and Tanzania by April 2017

Agriculture | East Africa

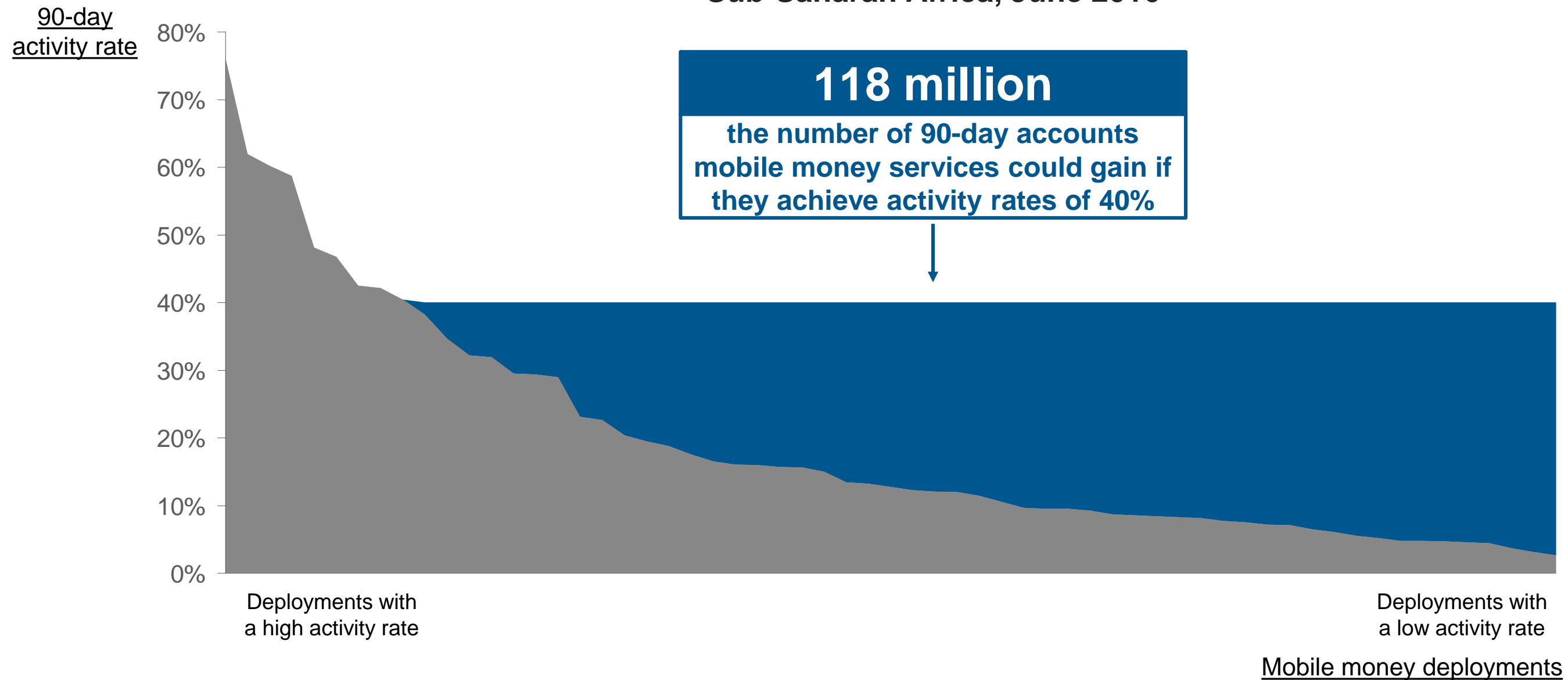
35,000^

the number of farmers in Kenya and Tanzania who were receiving support through Vodafone's Connected Farmer Alliance as of October 2014



Opportunities remain for mobile money growth across Sub-Saharan Africa, based on total customer base per deployment

90-day activity rate on GSM customer base per mobile money deployment in Sub-Saharan Africa, June 2016



Note: This graph shows mobile money deployments in Sub-Saharan Africa with activity rates >2%
Calculation: active 90-day mobile money customers / mobile connections (unique subscriber) for every operator



As mobile money adoption and use continues to rise, future growth can be unlocked by addressing a number of key drivers



INVESTMENT

In addition to high operational expenditure and full buy-in from senior leaders, constant investment is necessary to ensure growth



INFRASTRUCTURE & TECHNOLOGY

Harmonised APIs can improve seamless integrations, stimulating new and complex use-cases and products for users



POLICY & REGULATION

Maintaining a proportional risk-based approach to regulation to ensure the service can continue to reach low-income individuals



GENDER

Sub-Saharan Africa has a smaller gender gap than other regions, but ~225 million women still lack a mobile money account



RURAL

Only 17% of the addressable market has been captured in rural markets, remaining a source of untapped potential for providers



ECOSYSTEM DEVELOPMENT

Interoperability at the regional level would enable a rise in ecosystem transactions, such as cross-border remittance payments