

State of the Mobile Money Industry in Africa



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FINANCIAL
INCLUSION
WEEK 2020

OCT
13-16



MOBILE MONEY IN 2019

 **Over 1bn**
REGISTERED MOBILE MONEY ACCOUNTS

OVER
 **\$1.9bn** processed daily
by the mobile money industry

 **77** Mobile money deployments
Have more than **1m** 90-day active accounts
Compared to 27 in 2014

 **INDUSTRY FIRST**
57% DIGITAL
Digital transaction values now exceeding cash-in/out values

INDUSTRY FIRST
 **\$22bn** IN CIRCULATION
More money is circulating than exiting the mobile money system

 **290** MOBILE MONEY DEPLOYMENTS
 **95** ARE LIVE IN COUNTRIES

 **AFRICA**
51m NEW REGISTERED ACCOUNTS



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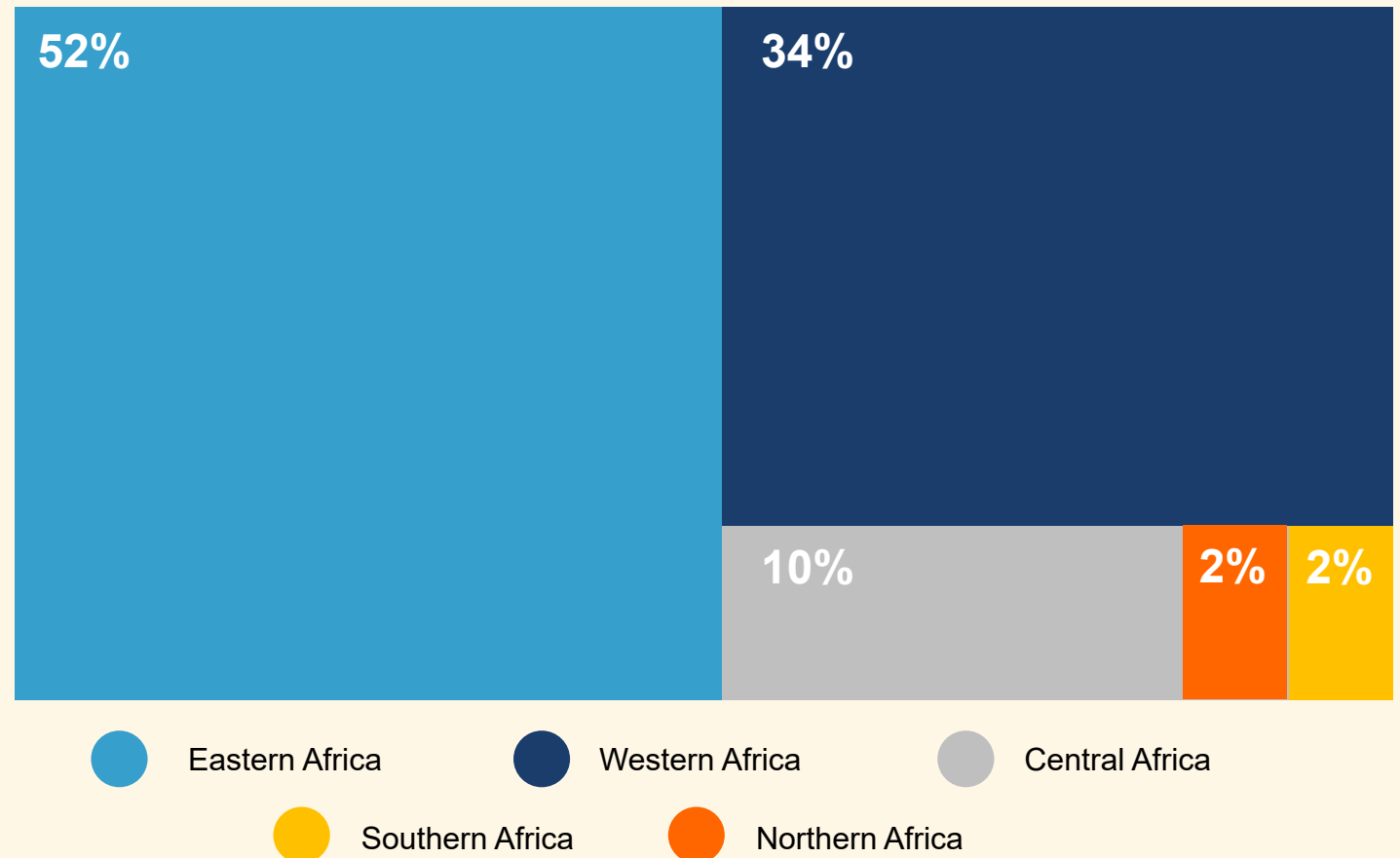
Africa is the enduring epicentre of mobile money

481m

Registered accounts in 2019, up 12% YoY and making up 46% of global accounts

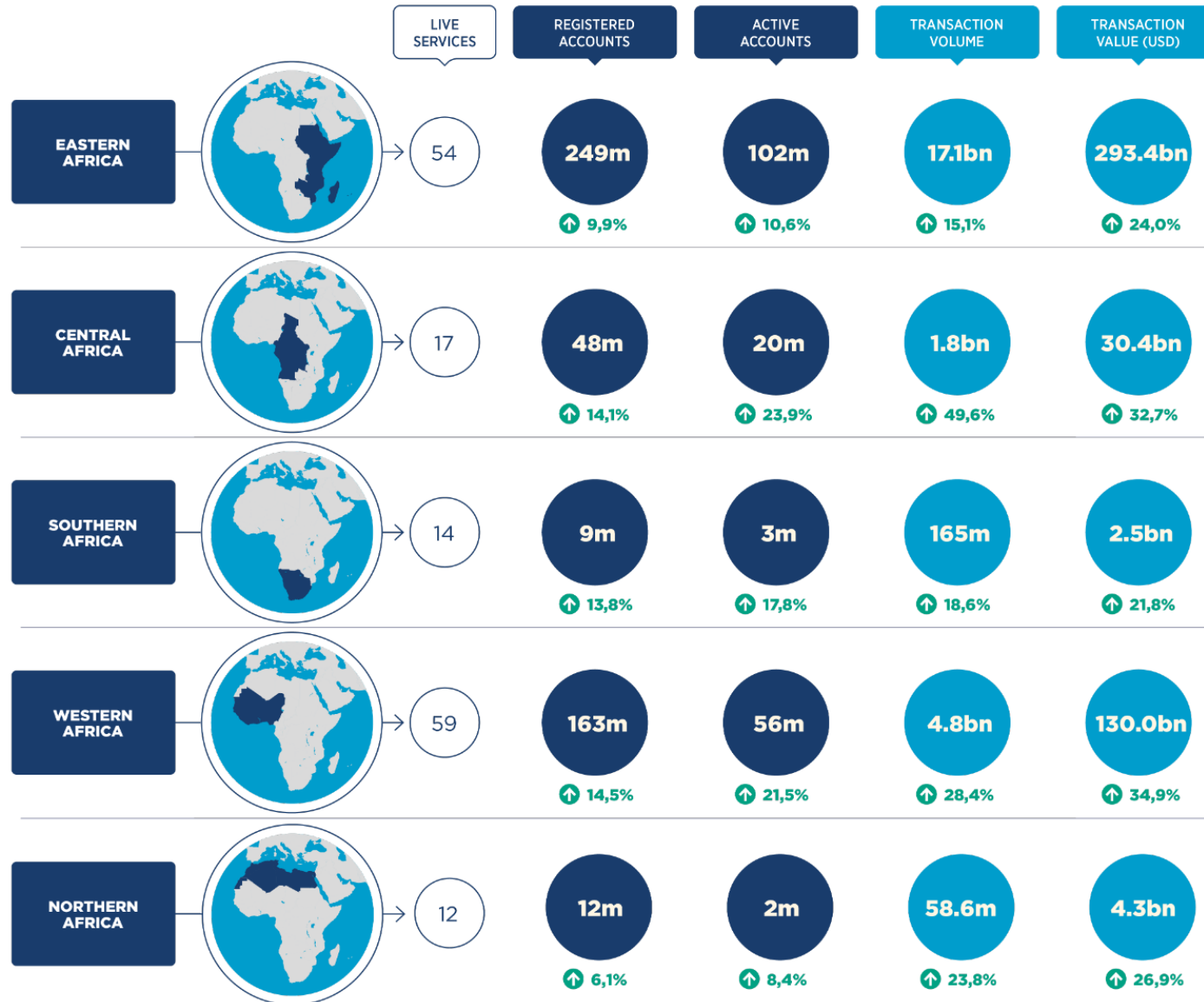
The region will surpass the **half a billion** accounts by the end of 2020

Distribution of registered mobile money customers in Africa (December 2019)



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Impressive growth across Africa in 2019



HIGHLIGHTS

- Over **100 million** active mobile money accounts in 2019; up by 10.6% YoY.
- Over **5.2 million** money-enabled insurance policies issued in 2019

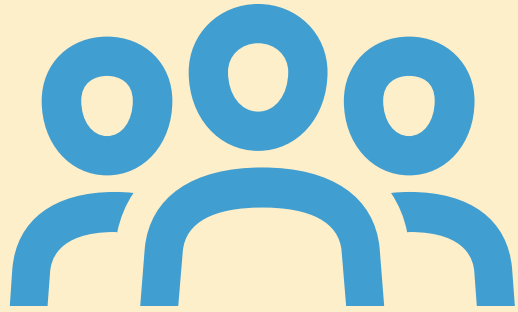
- The number registered accounts **grew by 100 %** through 2016-2019 – Reaching almost 50 million
- Growth led by Cameroon and Congo

- Southern Africa saw **growth-levels** resembling those of sub-Saharan Africa's other regions.
- Botswana saw several new entrants during 2019

- Strong growth across the region with the likes of **Senegal** is also growing fast
- **Ghana** continues to impress; while much foreign investment entered **Nigeria**

- Northern Africa saw **strong growth** in transactional volumes and value
- **New entrants** and renewed efforts in Morocco

More people in Africa are using their accounts more actively and as part of their daily lives



183m

Active accounts (90-day)

49% of global share

25% adult population penetration



2014



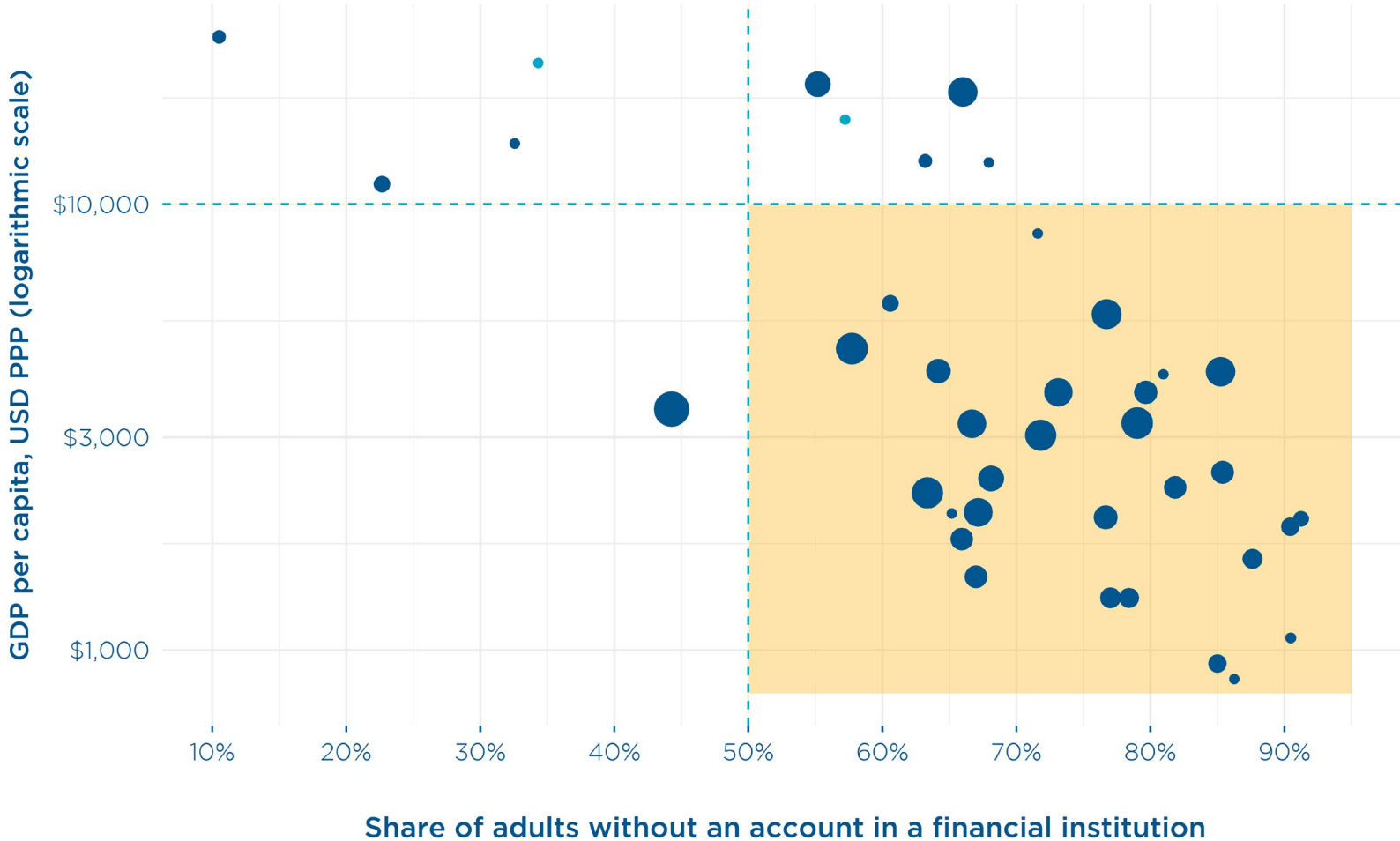
2019

40 deployments have over 1m active accounts (90-day) compared to 15 in 2014.

6

services have over 5m active accounts

Reaching the poorest people with mobile money



GDP per capita and share of population without an account in a financial institution in 39 countries in relation with mobile money penetration:

Countries

- Mobile money
- No mobile money

Mobile money penetration

- 25%
- 50%
- 75%
- 100%

(Active 90 days / adult population) in 37 out of 45 mobile money countries

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Agents remain the main gateway for digitising cash in the region



3.4m

Registered agents
(44% of global agents)



56%

Active
(30-day)

A mobile money agent has **26** times the reach of ATMs and **58** times the reach of bank branches

Per 100,000 adults:

- 6 Banks
- 13 ATMs
- 340 Mobile money agents



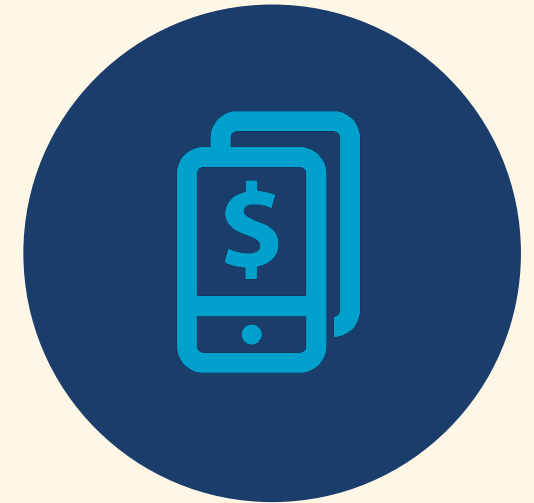
Banks



ATMs



Mobile Money Agents



\$124bn

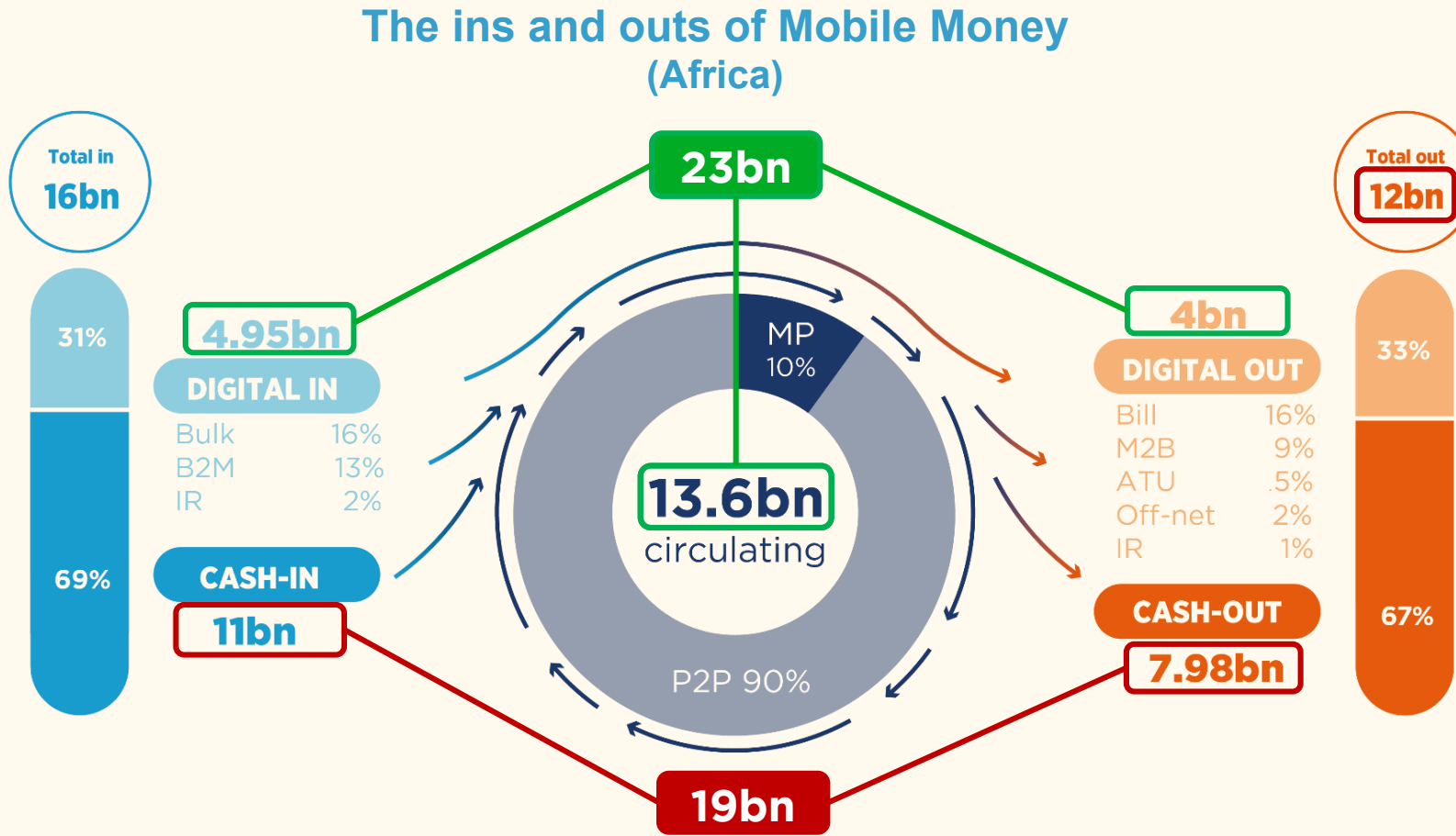
digitised value facilitated by mobile money solutions and agents in Africa annually

African mobile money industry has reached a digital threshold, driven by two key trends

TREND



Digital transactions* make up the majority of mobile money flows



TREND



More value is circulating in the mobile money system than exiting

*Digital transactions:
 Digital in + Digital out + Circulating value

Transaction values, USD,
 December 2019

Definitions: B2M/M2B = Bank-to-mobile / Mobile-to-bank; IR = International remittances; P2P = Person-to-person; MP = Merchant payments; ATU = Airtime top-up

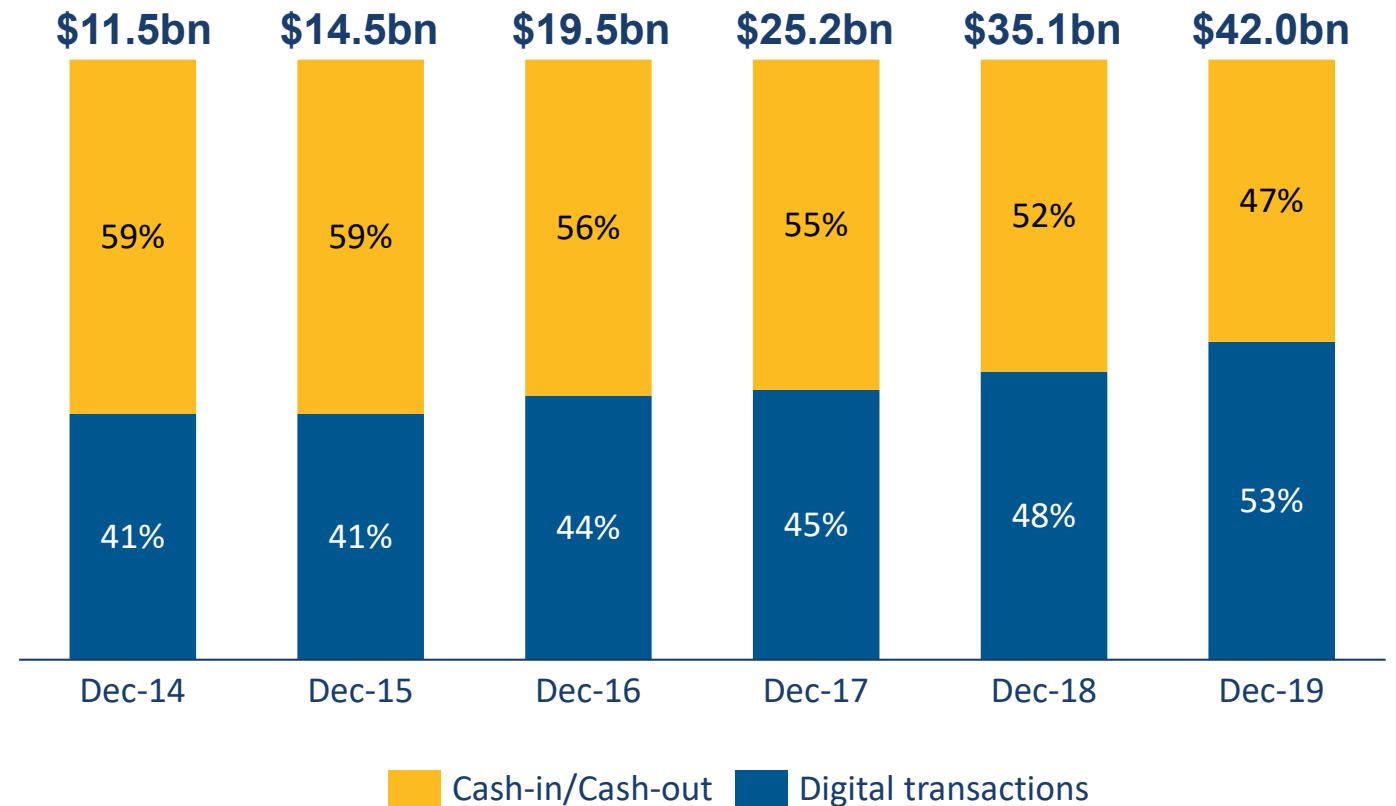
Digital transactions make up the majority of African mobile money flows

INDUSTRY FIRST

53%
of transactions
are now digital

37%
CAGR since
2014

Mix of Mobile Money Transaction Values



Mobile money is increasingly integral to the African financial ecosystem

27 | 35

27 of 35 markets are interoperable

Interoperability with banks



On average mobile money services with bank integration are connected to 10 banks

Complementing traditional banking

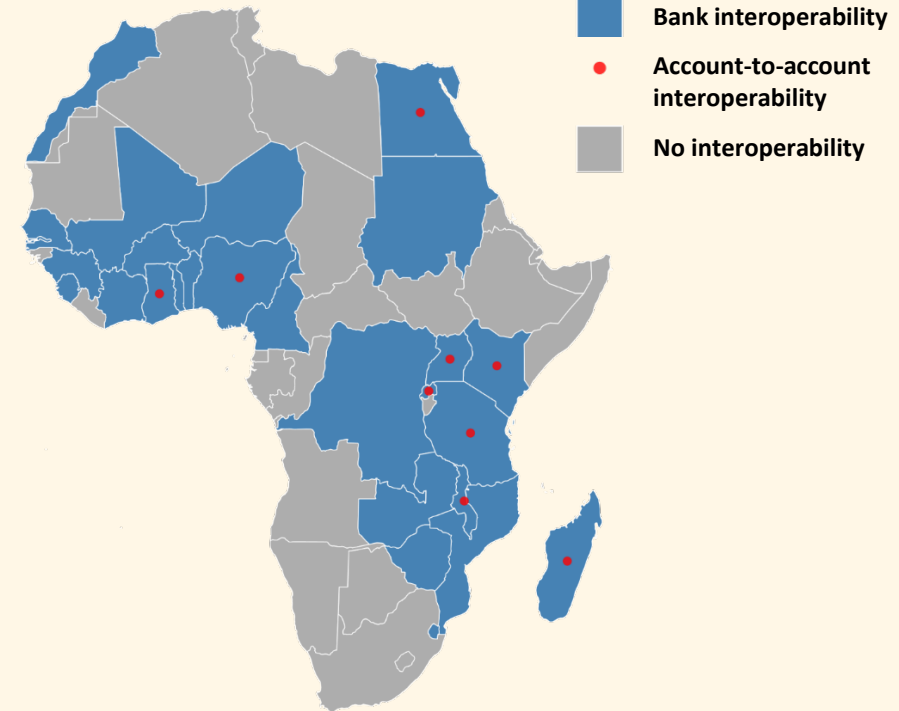


Value of flows to and from bank accounts grew by 32%

Account-to-account (A2A) interoperability



Interoperable P2P transfer volumes grew by nearly 25%

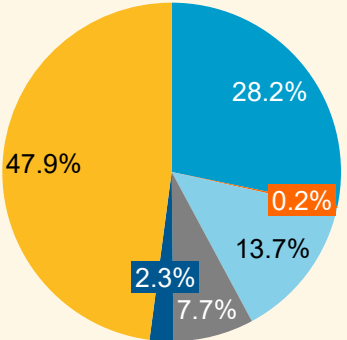
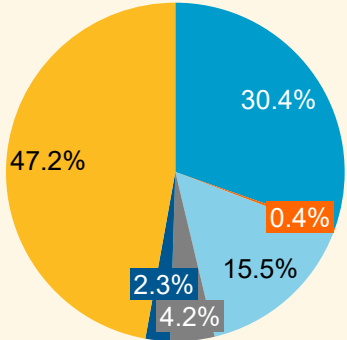


For the first time, airtime top-ups now make up less than 50% of total volume in the region

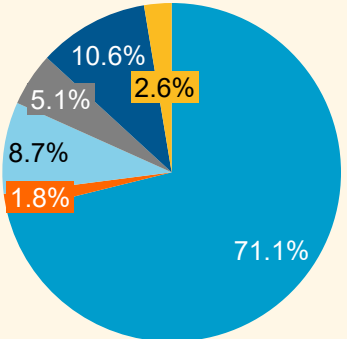
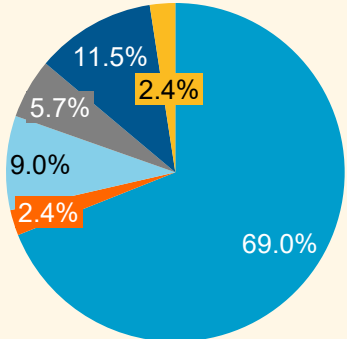
AFRICA BREAKDOWN

GLOBAL BREAKDOWN

NUMBER OF TRANSACTIONS (2019)



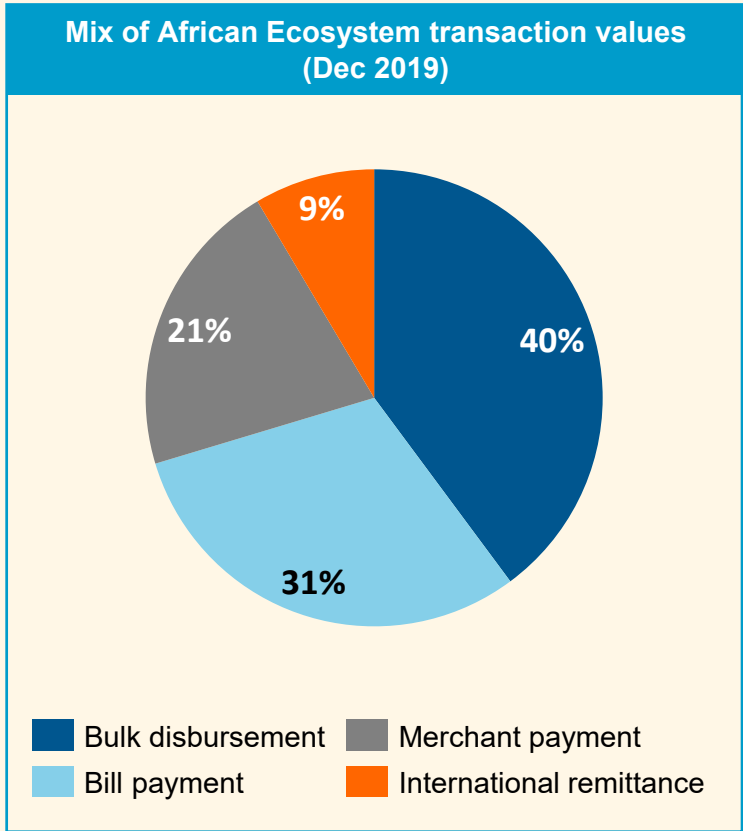
VALUE OF TRANSACTIONS (2019)



Ecosystem transactions

- P2P Transfers
- Bill Payments
- Bulk Disbursements
- International Remittances
- Merchant Payments
- Airtime Top-Ups

Ecosystem transactions are increasingly driving essential and impactful services in Africa



 Over a third of monthly active accounts now receive salaries via mobile money

 Utilities account for 61% of mobile money bill payments

 73% of mobile money providers partner with agribusinesses and cooperatives*

 Mobile money providers in the region are on average integrated with 35 government agencies

* Based on 41 services which participated in the GSMA Global Adoption Survey and responded to the question "Do you partner with organisations in the agricultural sector?"

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More value is circulating in the mobile money system than exiting

INDUSTRY FIRST

TREND

2



\$13.6bn
IN CIRCULATION

December 2019

P2P transfers



THE VALUE
IN 2017

34% year on year growth for merchants

Mobile Money Index Regulatory Scorecard

Country	2018 Index	2019 Index	Change	2019 Regulatory Index Breakdown					
				Authorisation	Consumer Protection	KYC	Transaction Limits	Agent Network	Infrastructure and Investment Environment
Angola	88.00	88.00	0.00	●	●	●	●	●	●
Benin	77.60	77.60	0.00	●	●	●	●	●	●
Botswana	56.13	79.10	22.97	●	●	●	●	●	●
Burkina Faso	77.60	77.60	0.00	●	●	●	●	●	●
Burundi	90.00	91.20	1.20	●	●	●	●	●	●
Cameroon	74.40	81.20	6.80	●	●	●	●	●	●
Central African Republic	74.40	81.20	6.80	●	●	●	●	●	●
Chad	76.60	82.20	5.60	●	●	●	●	●	●
Congo	74.40	78.20	3.80	●	●	●	●	●	●
Congo, Democratic Republic	86.90	86.90	0.00	●	●	●	●	●	●
Cote d'Ivoire	78.35	75.35	-3.00	●	●	●	●	●	●
Equatorial Guinea	75.60	81.20	5.60	●	●	●	●	●	●
Eswatini	54.97	66.03	11.07	●	●	●	●	●	●
Ethiopia	79.10	79.10	0.00	●	●	●	●	●	●
Gabon	76.80	81.20	4.40	●	●	●	●	●	●
Gambia	73.40	73.40	0.00	●	●	●	●	●	●
Ghana	91.17	89.17	-2.00	●	●	●	●	●	●
Guinea	84.20	87.20	3.00	●	●	●	●	●	●
Guinea-Bissau	77.60	77.60	0.00	●	●	●	●	●	●
Kenya	85.50	85.50	0.00	●	●	●	●	●	●
Lesotho	93.60	93.60	0.00	●	●	●	●	●	●
Liberia	90.20	92.20	2.00	●	●	●	●	●	●
Madagascar	78.30	78.30	0.00	●	●	●	●	●	●
Malawi	87.40	94.70	7.30	●	●	●	●	●	●
Mali	77.60	77.60	0.00	●	●	●	●	●	●
Mauritania	41.75	41.75	0.00	●	●	●	●	●	●
Mozambique	73.30	73.30	0.00	●	●	●	●	●	●
Namibia	80.50	83.50	3.00	●	●	●	●	●	●
Niger	78.60	78.60	0.00	●	●	●	●	●	●
Nigeria	79.57	80.67	1.10	●	●	●	●	●	●
Rwanda	97.50	97.50	0.00	●	●	●	●	●	●
Senegal	77.60	77.60	0.00	●	●	●	●	●	●
Seychelles	68.85	68.85	0.00	●	●	●	●	●	●
Sierra Leone	83.40	83.40	0.00	●	●	●	●	●	●
Somalia		78.20		●	●	●	●	●	●
South Africa	78.03	78.03	0.00	●	●	●	●	●	●
Sudan	74.10	74.10	0.00	●	●	●	●	●	●
Tanzania	89.80	91.80	2.00	●	●	●	●	●	●
Togo	77.60	77.60	0.00	●	●	●	●	●	●
Uganda	77.40	77.40	0.00	●	●	●	●	●	●
Zambia	80.50	81.50	1.00	●	●	●	●	●	●
Zimbabwe	75.60	75.60	0.00	●	●	●	●	●	●

Index Bands

- Score 80 to 100
- Score 70 to 80
- Score 0 to 70

Across the continent there is a changing regulatory environment in mobile money



Mobile Money Taxation

Poorly designed taxation regimes continue to adversely impact mobile money growth and are seen to have a huge impact on marginalised groups



Consumer Data Protection

Countries in the region are making efforts to ensure that mobile money customer data is protected. Botswana, Uganda, eSwatini, Malawi and the CEMAC countries now have improved consumer data protection laws. However, several countries have introduced restrictions on the flow of data across borders e.g. Nigeria.



e-KYC

Several African countries have digitised their national ID systems and regulators are operationalising e-KYC to drive efficiency in the mobile money adoption process

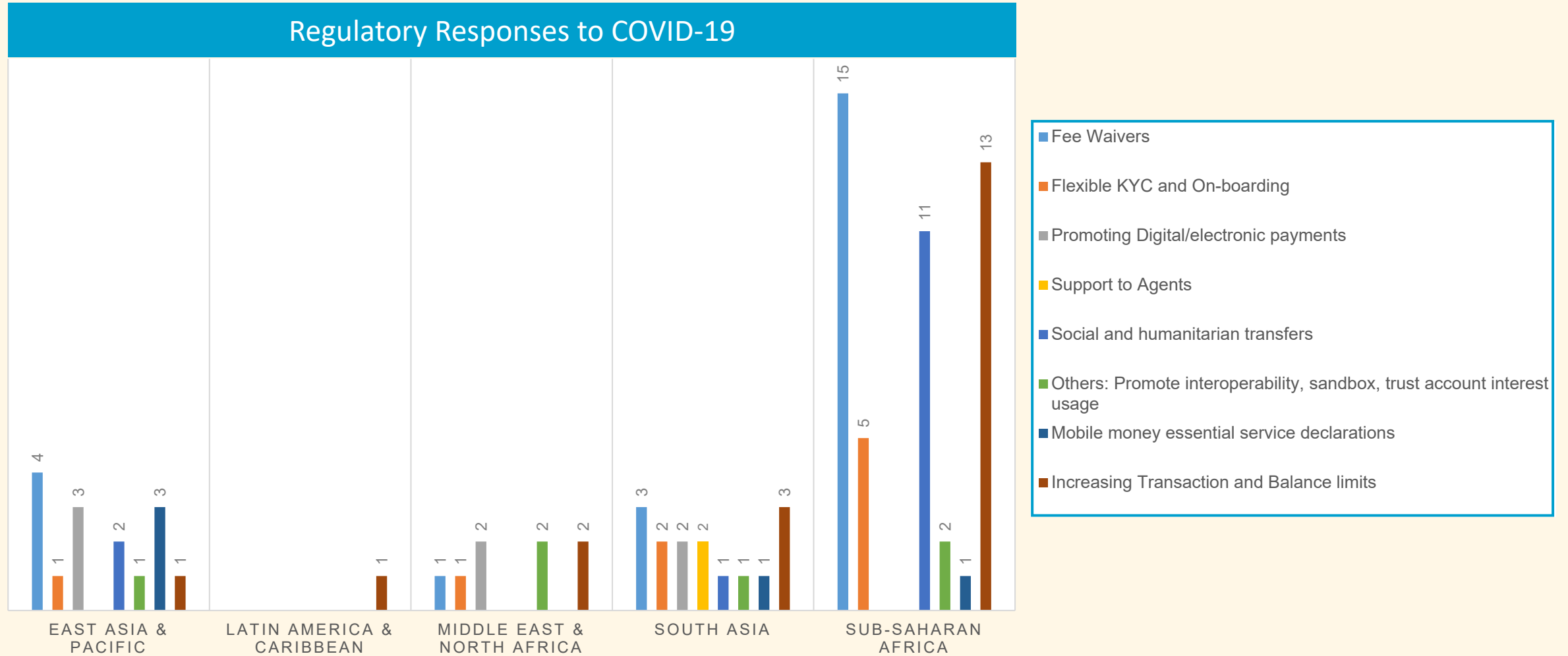


Interoperability

As the industry adopts national switches, regulators should involve industry players in this process to enable successful mobile money interoperability

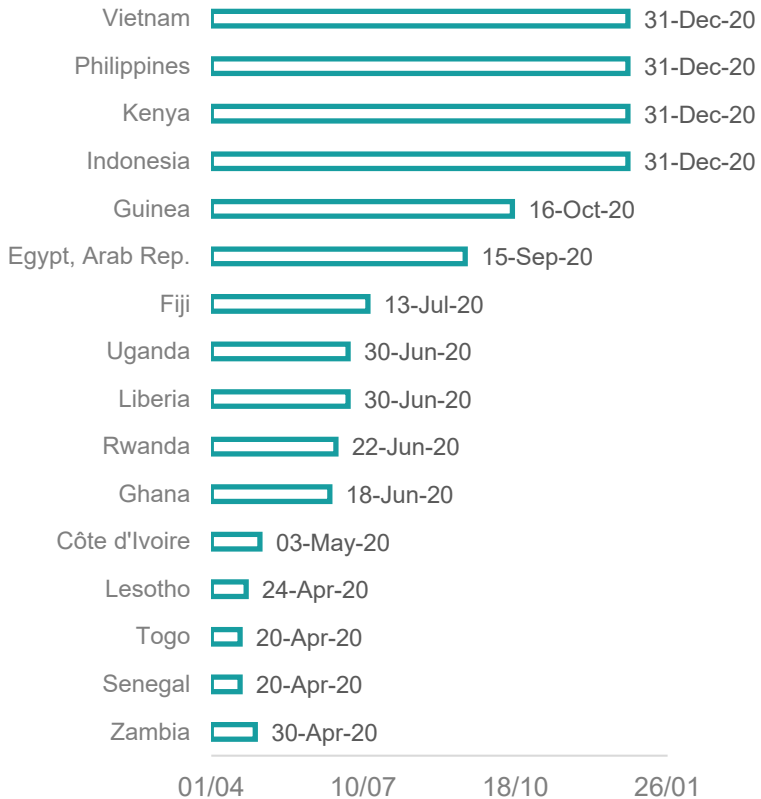
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Regulators in Africa have more actively leveraged mobile money-specific policy instruments than other regions

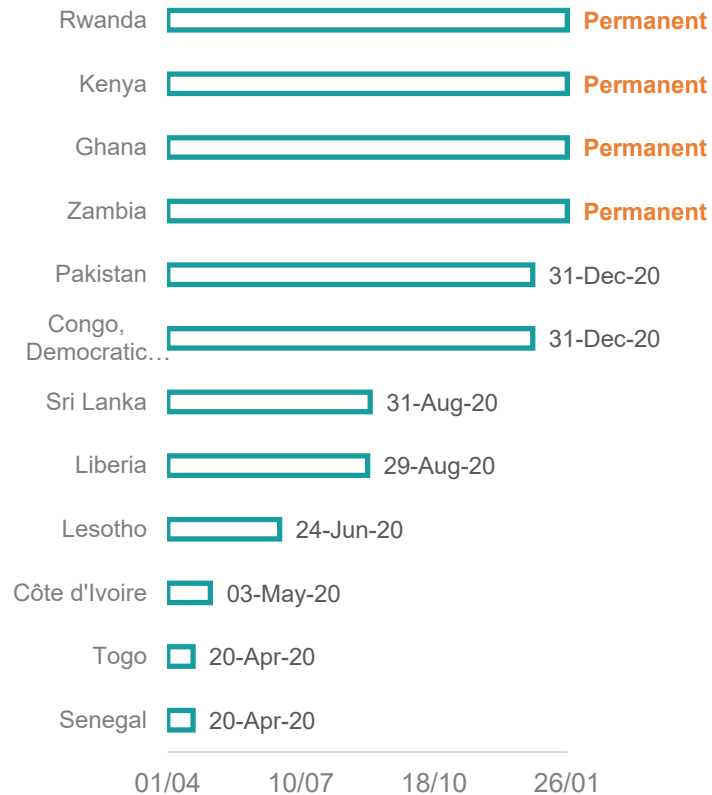


Assessment of validity period of policy measures deployed

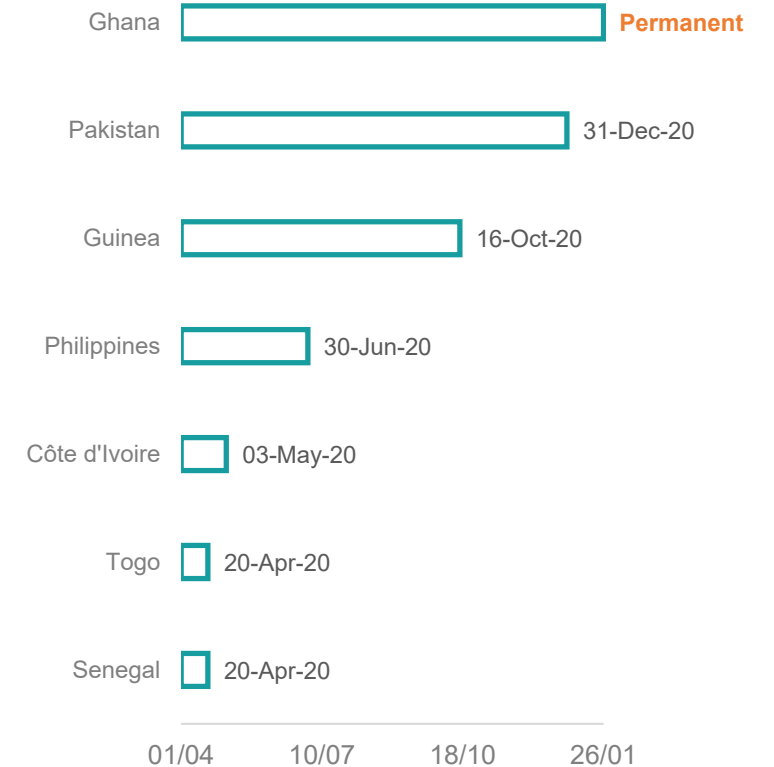
Validity of Fee Waivers August 2020




Validity of Increasing Transaction & Balance limit



Validity of Flexible KYC and On-boarding



Looking ahead, we see three main areas for future growth of mobile money in Africa

- 
- 1 Accelerating the shift from cash towards digital payments
 - 2 Expanding mobile money enabled international remittance in Western Africa
 - 3 Enhancing the delivery of humanitarian cash assistance

Despite the peak in digitisation across the region, the threshold hasn't reached for all services yet



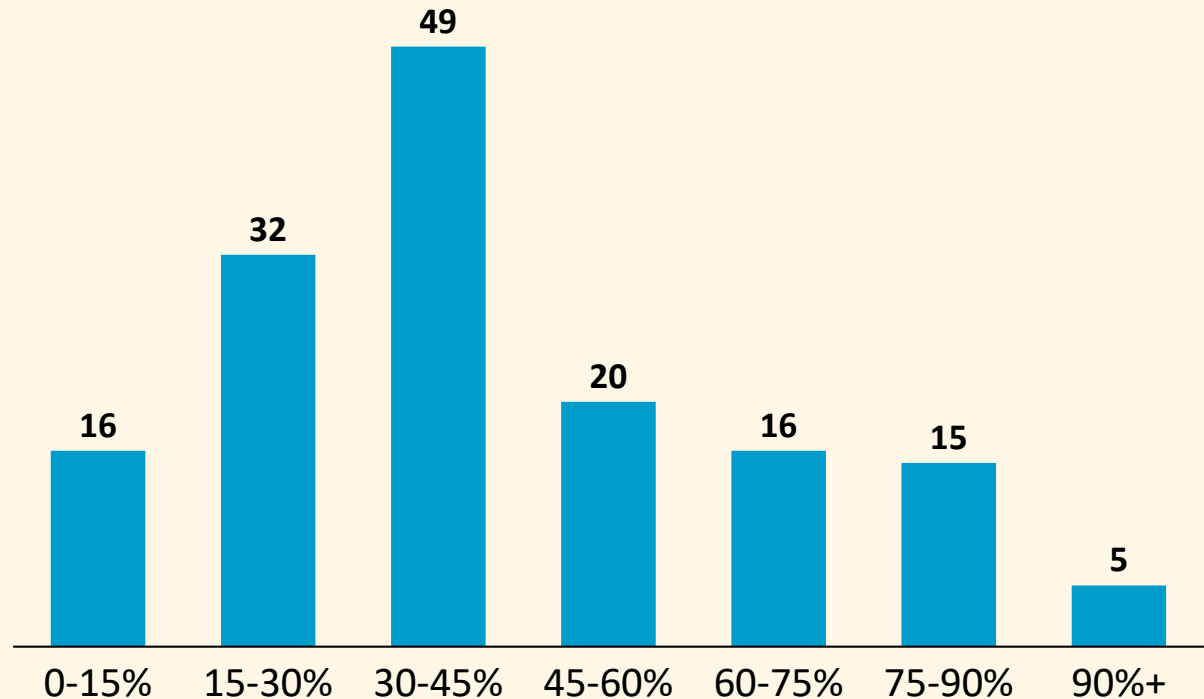
\$23bn

Digital transactions processed in Dec-19

69%

of services still heavily reliant on Cash-in/Cash-out transactions

Distribution of digitisation levels among African deployments



While remittances shine in Western Africa, there is still a sizeable opportunity for expansion



40%

of mobile money enabled international remittances are sent and received in Western Africa



Averaging
\$79

worth of mobile money enabled international remittances per transaction



\$3.2bn*

worth of formal remittances processed in Western Africa

Mobile money can provide a superior mechanism for humanitarian cash delivery in Africa



25m*

Forcibly displaced people in the region

Mobile money services are on average connected to



11

humanitarian organisations**

Digital cash assistance delivered to over




1.7m

unique mobile money accounts

*Source: United Nations High Commissions for Refugees [UNHCR]

**Referring to (26) mobile money services in Africa that are partnering

Looking ahead, we see three main areas for future growth of mobile money in Africa

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Q&A

Speakers



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Data & Regulatory info:

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