

What is Mobile Banking?

Mobile Money : a service in which the mobile phone is used to access banking/financial services



Money Transfer(P2P)



From a Phone to Wallet



Self Top-Up



Micro-savings/loans



G2P (Relief, Salaries, Pensions)



Bill Payments



Bulk Payments



Business to Business

Challenges in Africa

Poor Infrastructure



Transport



Infrastructure Investment is Lagging



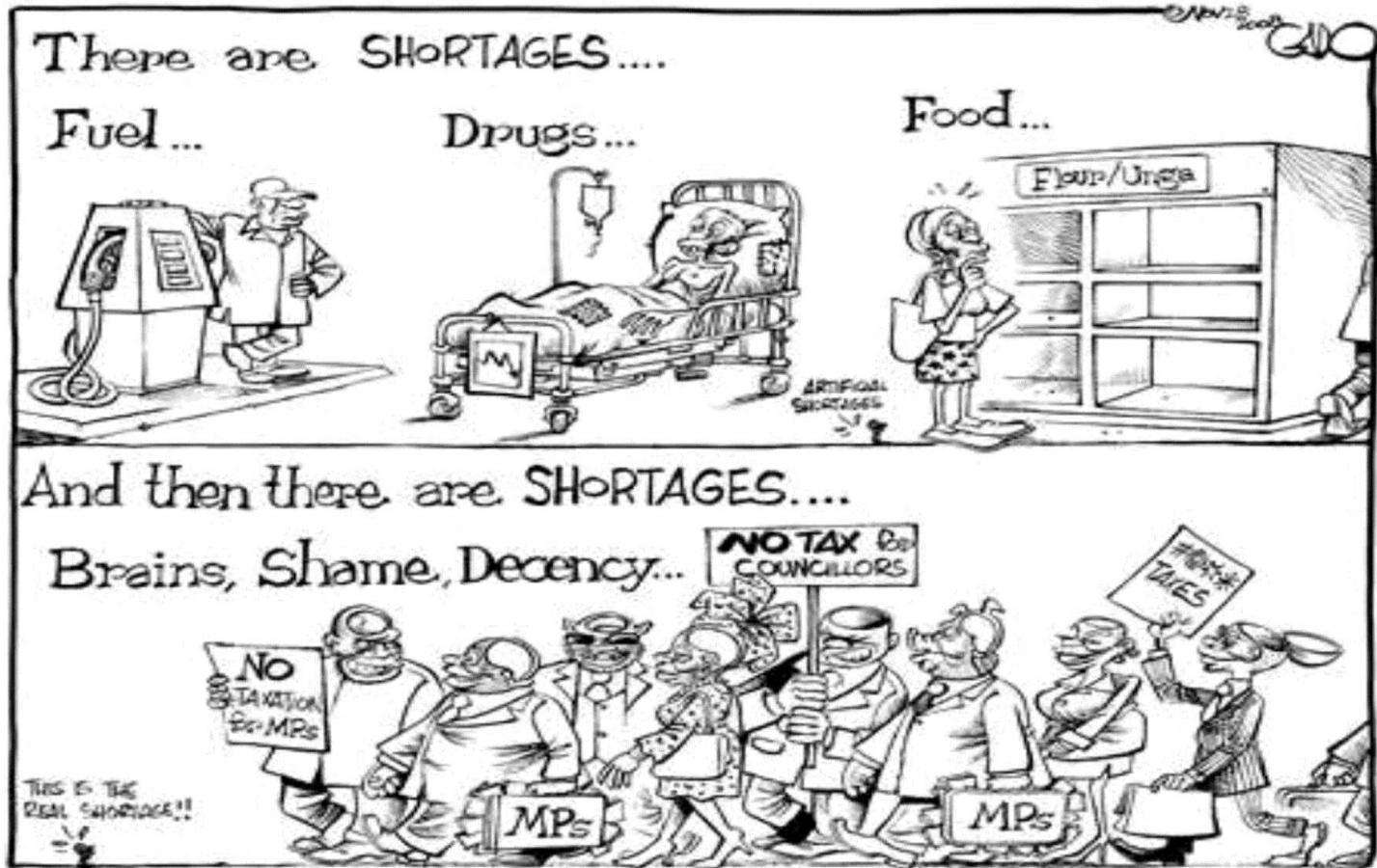
Telecommunication



Legal Framework



Legal framework



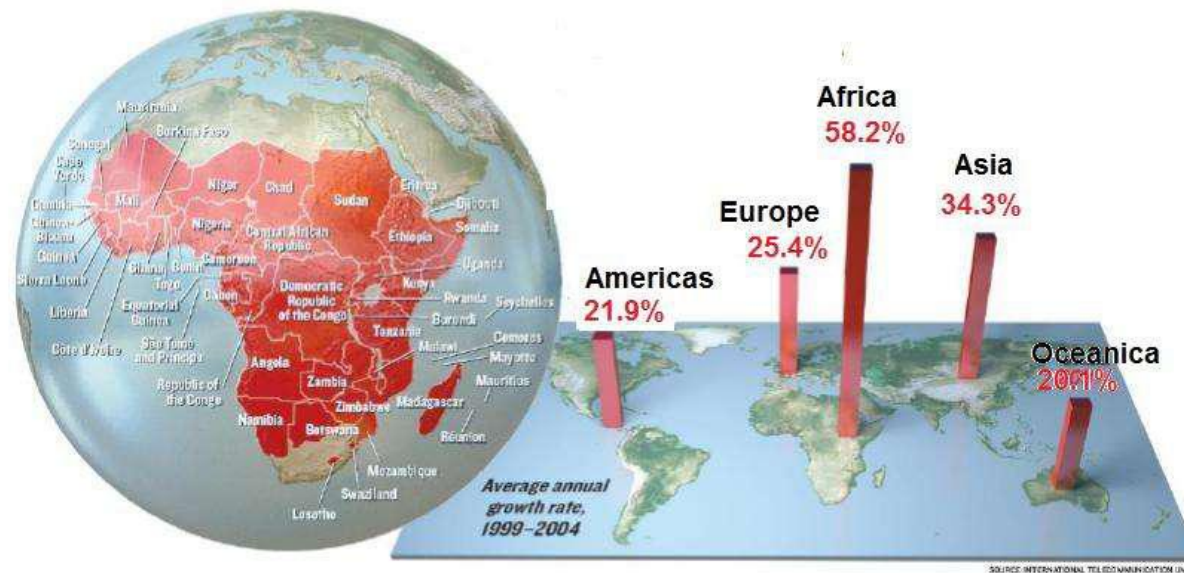
High Adult illiteracy



Poverty



But Africa has the highest mobile growth rate in the world



Mobile Banking in Africa

Banking in Africa? Depends where you are...

Sophisticated markets (e.g. South Africa)

*Well established and strong banking sector;
Good penetration;
Banking a trusted sector;
High level of technology
and innovation.*

Developing markets (e.g. Zambia):

*Banking established for a significant period;
Processes bureaucratic and old-fashioned;
Technology limited and developing.*

Conflict/post-war (e.g. DRC):

*Lack of trust in the banking sector;
Low level of savings;
Marred by inaccessibility;
Lack of services and infrastructure;
Corruption: environment
of distrust.*

What do the poor want from their bank?



Keep my money safe

Take my cash,
give me cash

I want to pay my bills and send money home

Barriers to Scaling up

Barriers to rolling out a successful solution

- Regulation as an inhibitor to the development of a successful solution:

- Technology is bypassing regulatory guidelines.
- Current regulations do not cater for new technology.
- Practicality of implementing regulation is difficult.

- Customer education:

- Usability
- Difficult to "teach" customers due to remoteness.



Lessons

•Technology alone cannot guarantee success;

- Technology is an enabler;*
- It has to be supported by a solid product offering;*
- 3 P's – Product, people, process.*
 - *Registration*
 - *Education*

•The needs of the market will dictate the choice of technology and the service/product offered to the market;

- We need to understand the needs of our customers;*
 - *Handset capabilities;*
 - *Market segments and their needs.*

•Regulation should incubate, not inhibit;

- How do we encourage access to banking, but limit:*
 - *Risks related to money laundering?*
 - *Credit exposure?*
 - *We need to find the middle ground.*

•Success through strong relationships:

- *Financial institutions;*
- *Regulatory bodies;*
- *Mobile network operators.*

•Good product design is crucial:

- *Keep it simple:*
- *Easy to understand, easy to use;*
- *If it breaks once, they will not try again;*