



Mobile Communications & Financial Inclusion

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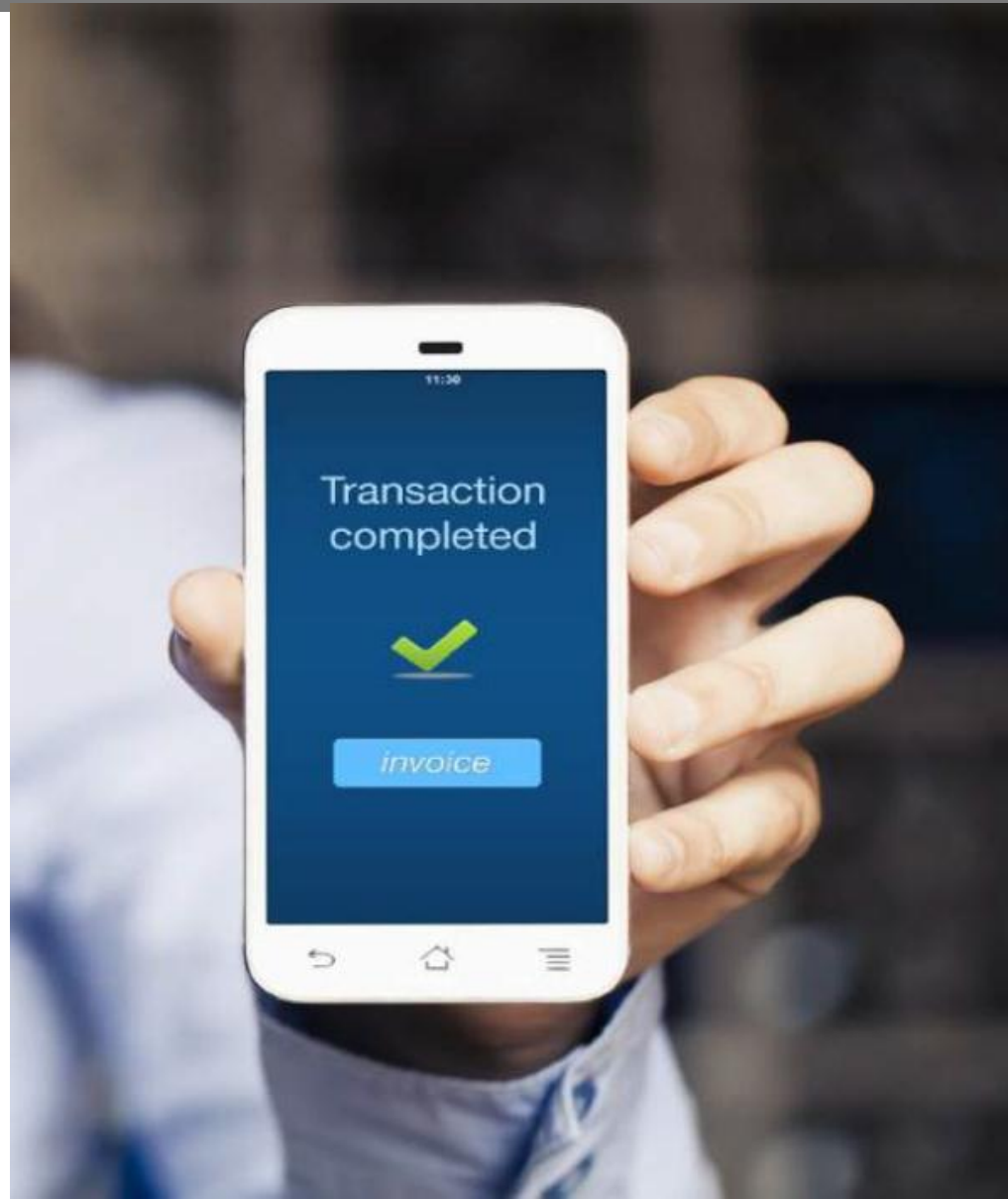


Agenda

1. Global trends
2. Smartphone adoption
3. Enablers for inclusion
4. Drivers for Mobile Money
5. MTN Mobile Money
6. Looking ahead

Which one takes Priority ?

1. Financial Inclusion ?
2. Economic Inclusion ?
3. Digital Inclusion ?



Global trends

Mobile connections, including M2M
Nov 2017

8,420,132,241

▲ 4.70%

Unique mobile subscribers
Nov 2017

5,104,276,100

▲ 4.76%

Revenue/year
FY 2015

\$1.06T

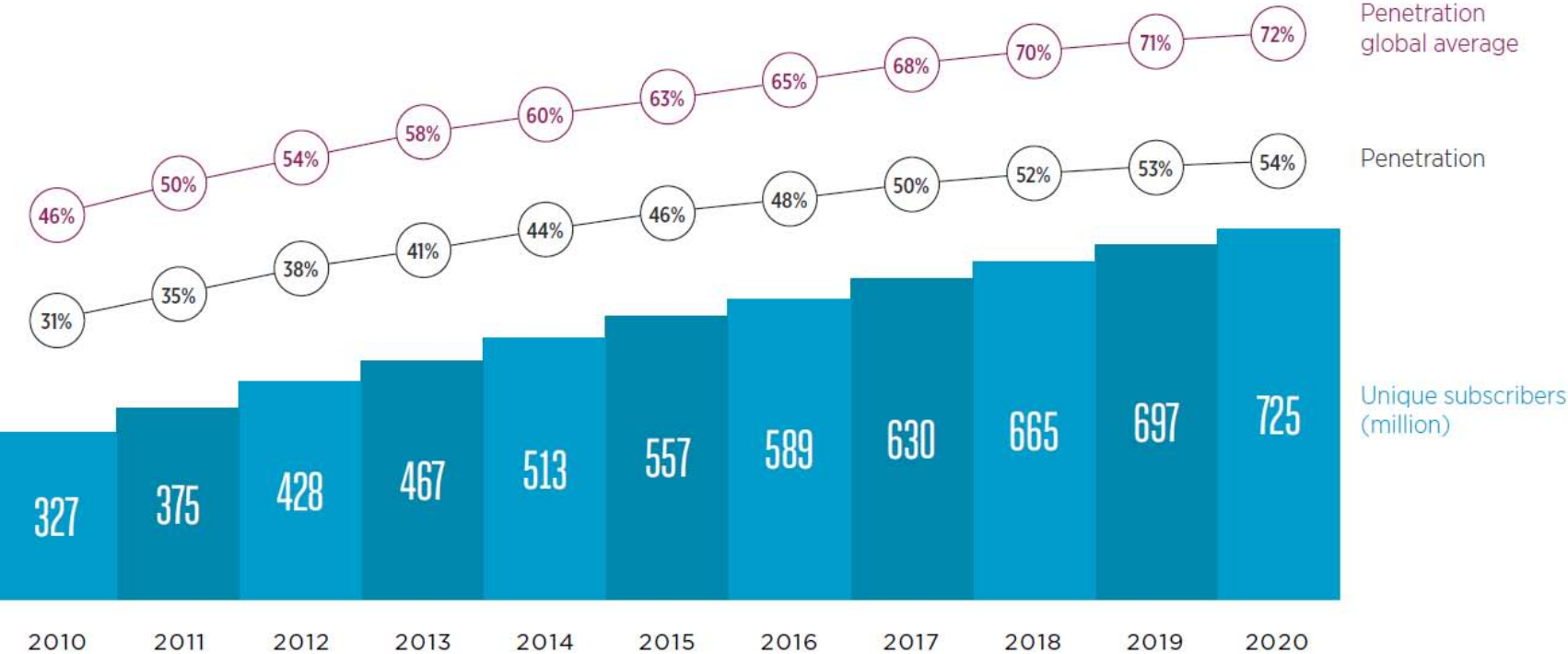
▲ 2.18%

ARPU/month
FY 2015

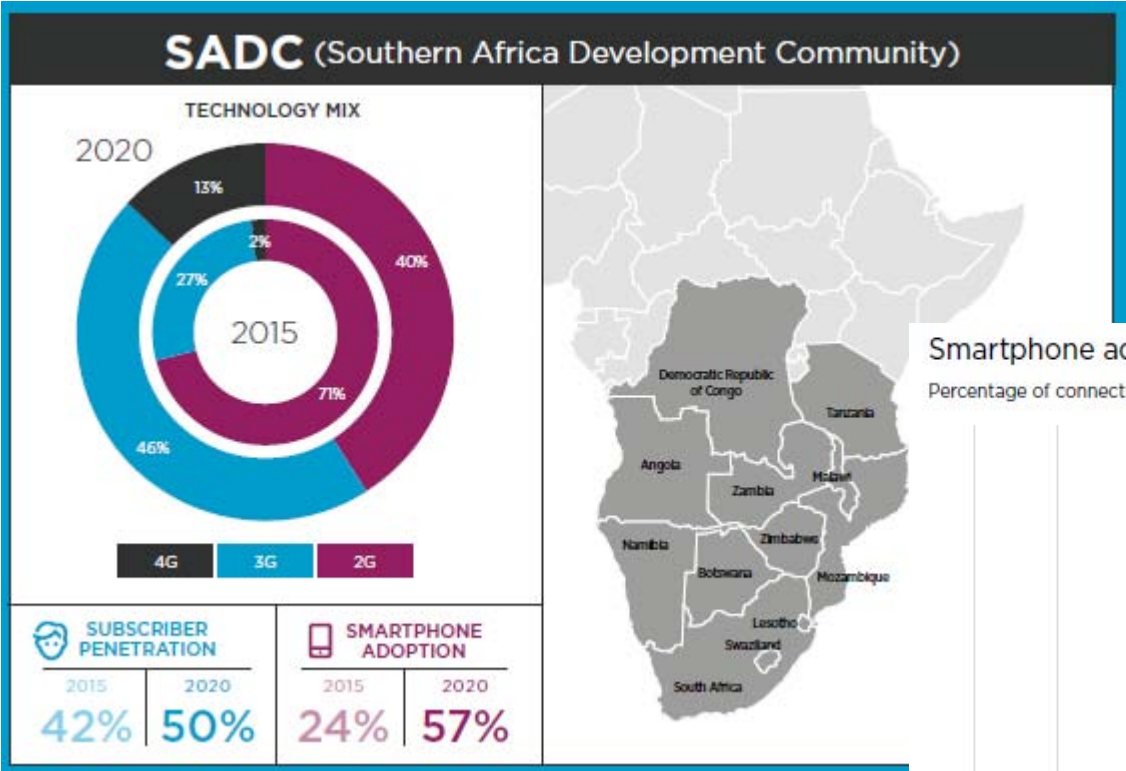
\$10.25

▼ -2.78%

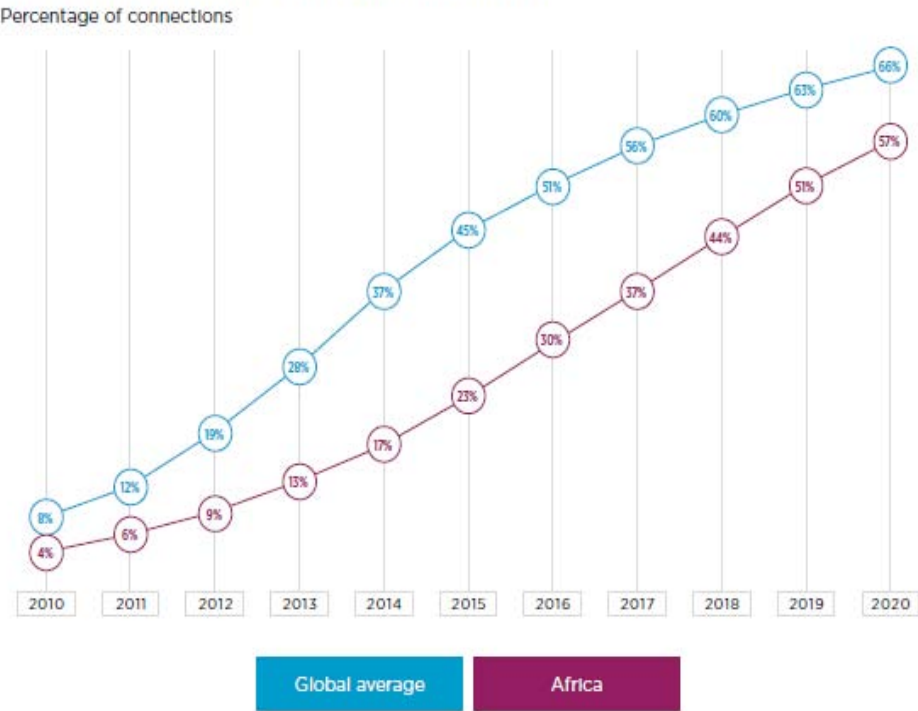
Unique mobile subscribers in Africa



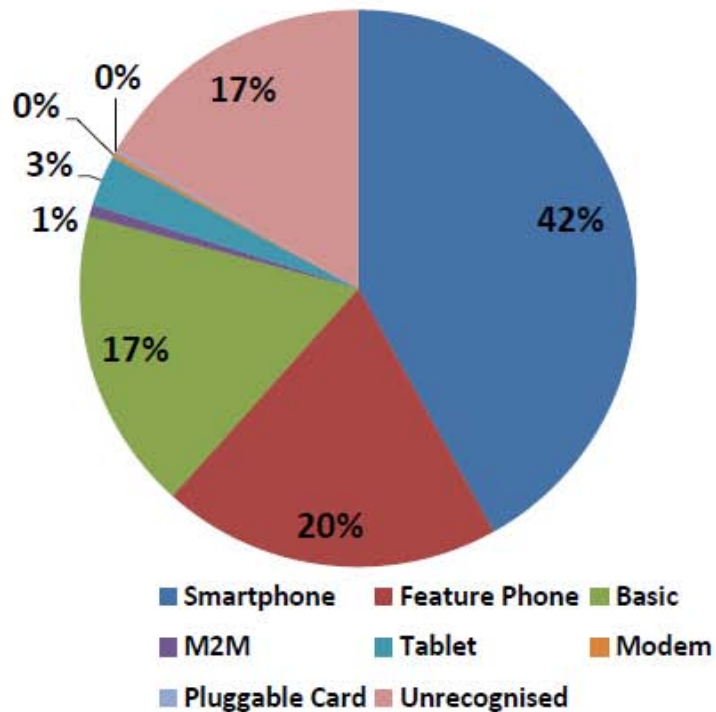
Smartphones



Smartphone adoption growing in Africa



Mobile Devices – Swaziland



Smartphone Penetration: 42%

- Network coverage at 96%
- 82% of handsets are data capable
- Mobile devices are the biggest enablers

NB:

-**Basic Phone:** 2G non data capable phone (No GPRS, No MMS, NO WAP)

-**Feature Phone:** Device that at least supports MMS &/or WAP

-**Smart Phone:** Data capable phone with more advanced functionalities than MMS &WAP

-**Data capable** = GPRS or from Wap v2.0 or MMS

-M2M equipment's => Machine to machine (non handset devices, payment terminal with a SIM or electrical meters)

Financial Inclusion

Overview: 2016 at a glance

MOBILE
MONEY



is available in TWO-THIRDS of low- and middle-income countries

REGISTERED ACCOUNTS
SURPASSED
HALF BILLION
IN 2016



Mobile money providers are processing an average 30,000 transactions per minute, or more than

43 MILLION
PER DAY



MOBILE MONEY IS STRENGTHENING
THE BANKING INDUSTRY

Between September 2015 and June 2016, the volume of flows to and from bank accounts grew more than

+120%

IN DECEMBER 2016,
THE INDUSTRY
PROCESSED MORE THAN

US\$ 22 BILLION
IN TRANSACTIONS

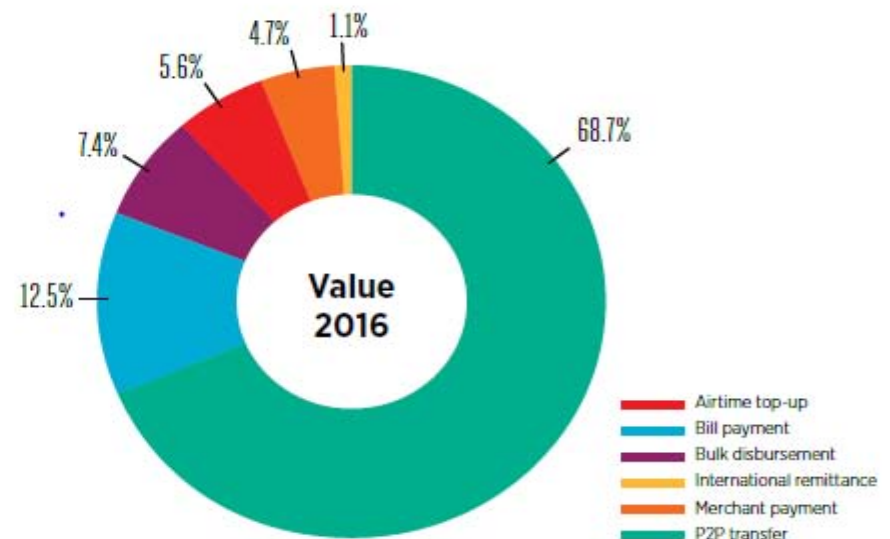
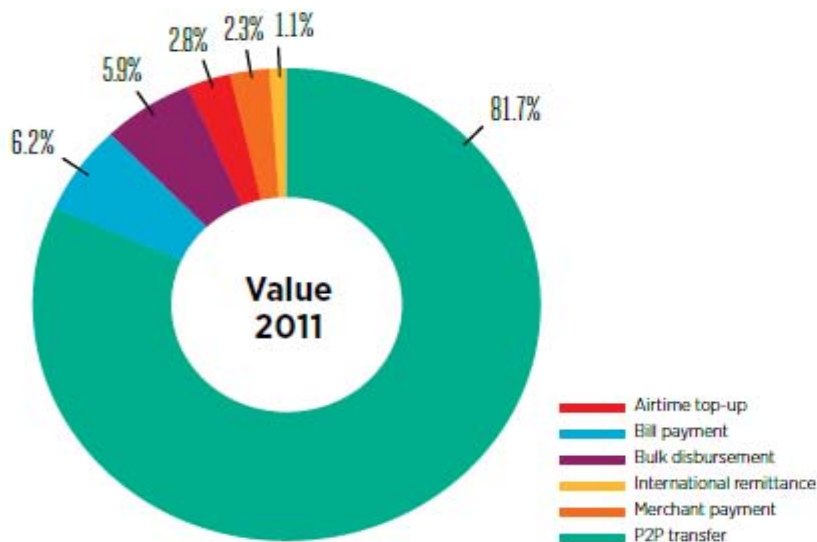


MORE THAN 40%

of the adult population in Kenya, Tanzania, Zimbabwe, Ghana, Uganda, Gabon, Paraguay and Namibia are using mobile money on an active basis (90-day). This is an increase from just two countries in 2015 (Kenya & Tanzania).

Expanding Financial Inclusion

- By 2011, registered mobile money accounts amounted to 86.8 million; this figure had risen to over 500 million registered accounts globally with approximately 170 million (34%) active by end of 2016
- In 2015, mobile money accounts surpassed bank accounts in the region
- By 2016, there were 277 million registered accounts in Sub-Saharan Africa, of which more than 100 million were active.



Drivers for Mobile Money

- High penetration of mobile phones
- Increased Government focus on financial inclusion
- Large base of Unbanked / underserved customers
- Poor penetration of conventional brick & mortar bank model
- Suited for high value low volume transactions
- High Opex, high capex Model of conventional banking model

Our Journey : MTN Mobile Money

Growing the Ecosystem

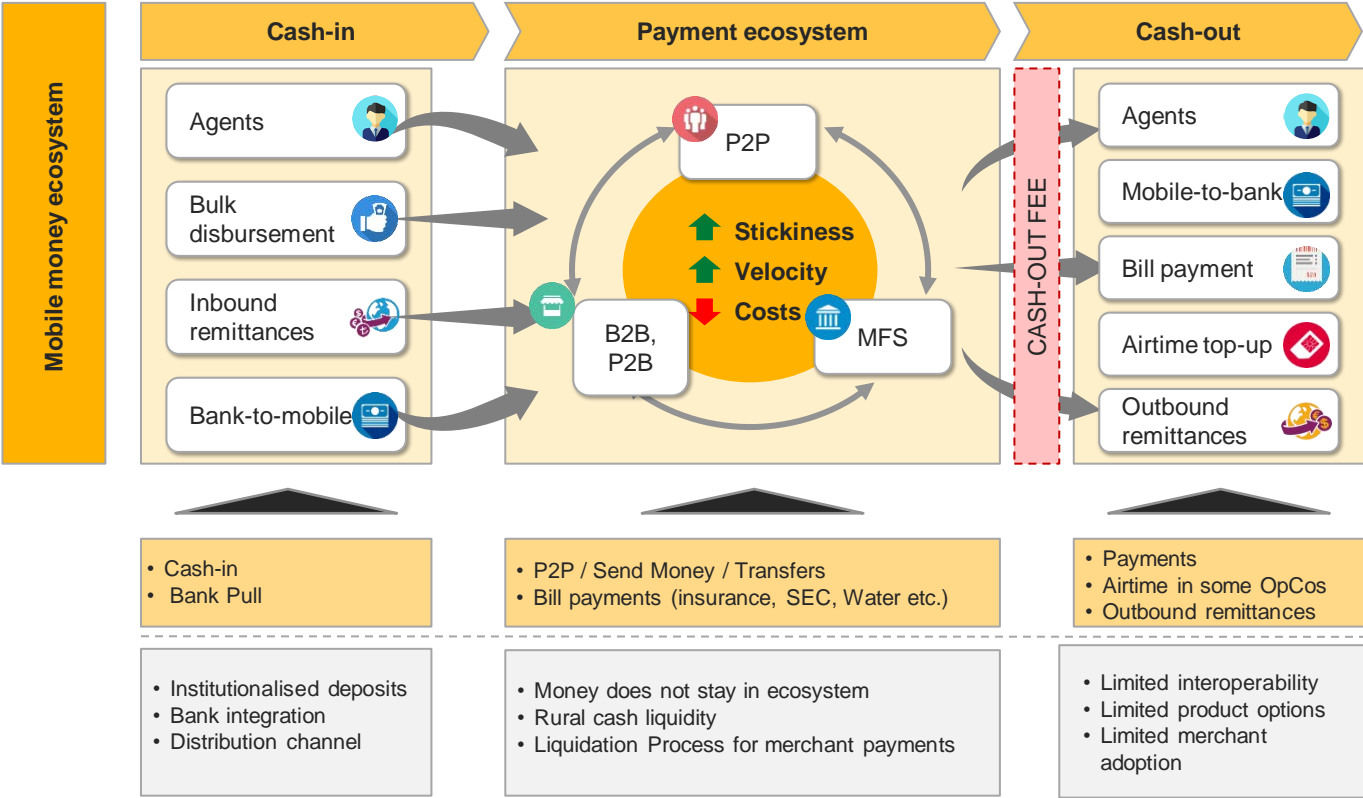
- Free Registration
- Free Cash In
- Zero fees: Airtime, Bundles & Electricity, Water bill and Insurance policy payments
- Free disbursements for grants
- Free disbursement period for businesses and NGOs

Challenges

- Agent network compliance
- Low literacy levels on use of the phone
- Agents cash/float liquidity
- Agents availability on Sundays and holidays
- Wallet limits



MFS Ecosystem

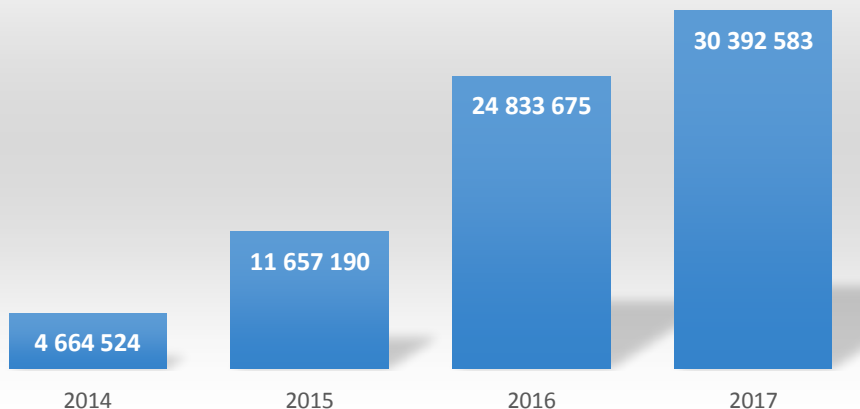


Activity growth YoY

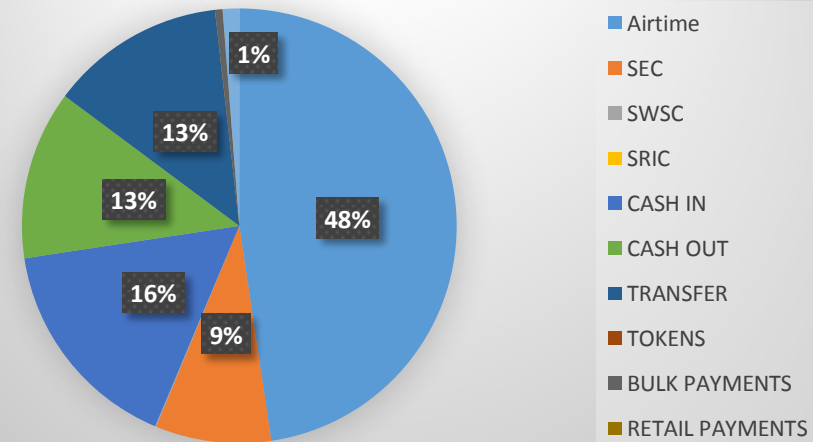
Mobile Money Activity growth in transactions

- Started with basic services – cash in, send money, cash out
- Added Pay bills – Airtime, Electricity, Water bills, Insurance Premiums, etc.
- Started Collections and disbursements – SRA, MTN bills, DSTV, TV License payments
- Strategic partnerships promoting Interoperability – bank integrations

total transactions



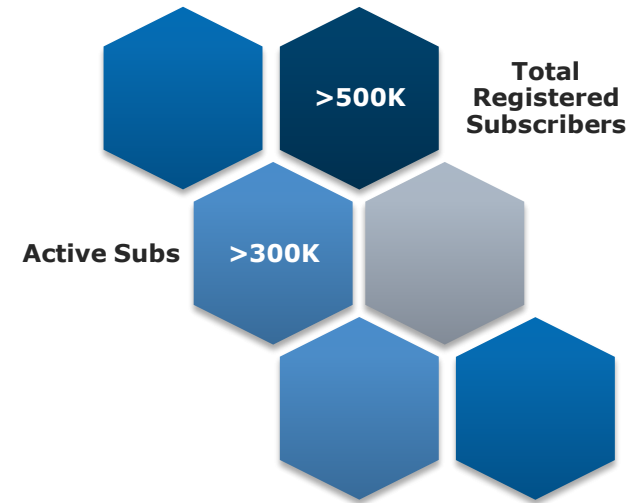
Transactions per Service - 2017 YTD



Swaziland Mobile Money Performance

Activity

- E85mil in circulation, E42mil with Customers
- Over 5 million transactions monthly
- Over 2000 agents active daily
- 21% contribution to financial inclusion as at 2015

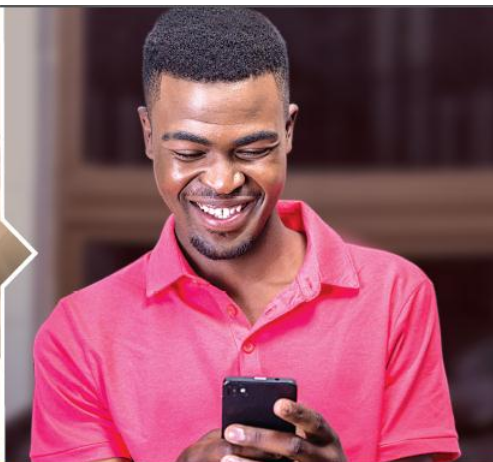


Products

- ✓ **MTN Products:** Airtime, MTN Post paid bill, Data bundles
- ✓ **Bill Payments (P2B)** – SWSC, SRIC, Orchard, Old Mutual, SEC, DSTV, SRA Tax, etc.
- ✓ **Government Pilots** – Social Grants with DPM, school fees, agriculture and health
- ✓ **UN & NGO partnerships** – WFP on drought NERCHA, Red Cross, Doctors without Borders etc.
- ✓ **Bulk Payments** – wages and grant payments for NGO's, Getbucks loans, Payroll for SMEs,
- ✓ **Bank Partnerships** – Agent float, subscriber transfers & ATM Cash Outs.
- ✓ **Retail Payments** – Savemore/Ok Chain stores, S&B Restaurant etc.

Interoperability within the Mobile Money Ecosystem

- Bank Integration: gives access to funds 24/7
- Opening opportunities for bank products to be made accessible to unbanked Mobile Money registered customers
- Savings and Insurance products offered by banks can be extended to the masses through mobile money
- Institutional deposits – e-government initiatives

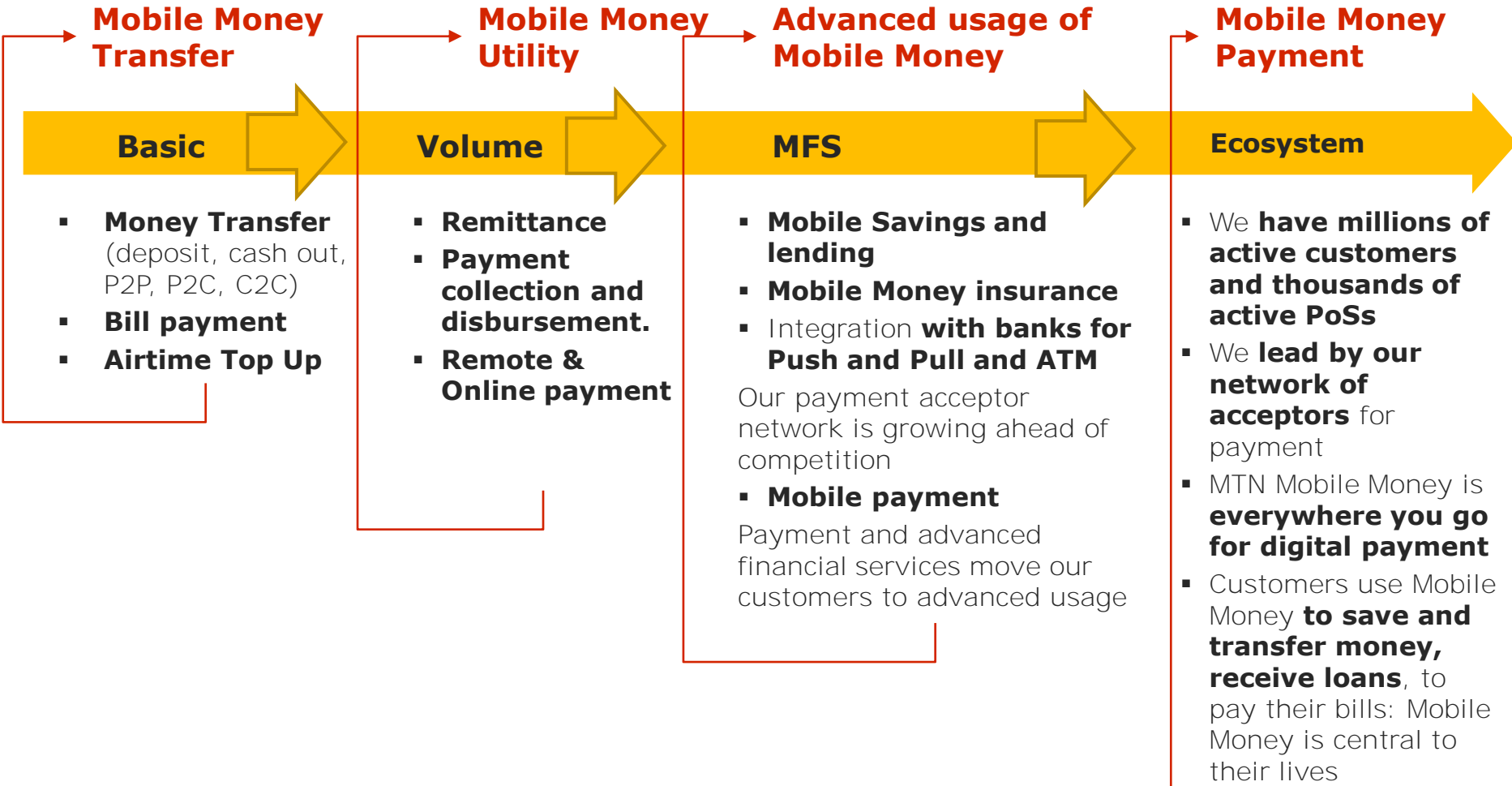



**SEND AND RECEIVE MOBILE MONEY
 THE SMART WAY.**

**Use Nomakuphi App to send mobile money from your
 SwaziBank account.**

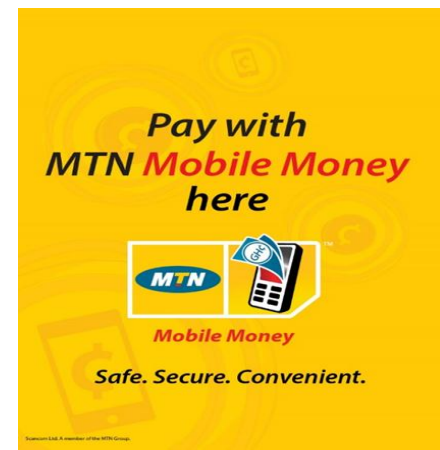


MFS Roadmap




Future: Building a digital society to increase financial inclusion

- Interoperability
- Bringing everyone into the net – capture their economic activities
- Payments – acceptance of Mobile Money everywhere you go
- Digital Insurance, Savings and Lending for all
- Government Objectives will be key to enabling this agenda



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Mobile Money

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Thank you