

Transforming access to finance through branchless banking

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Introduction

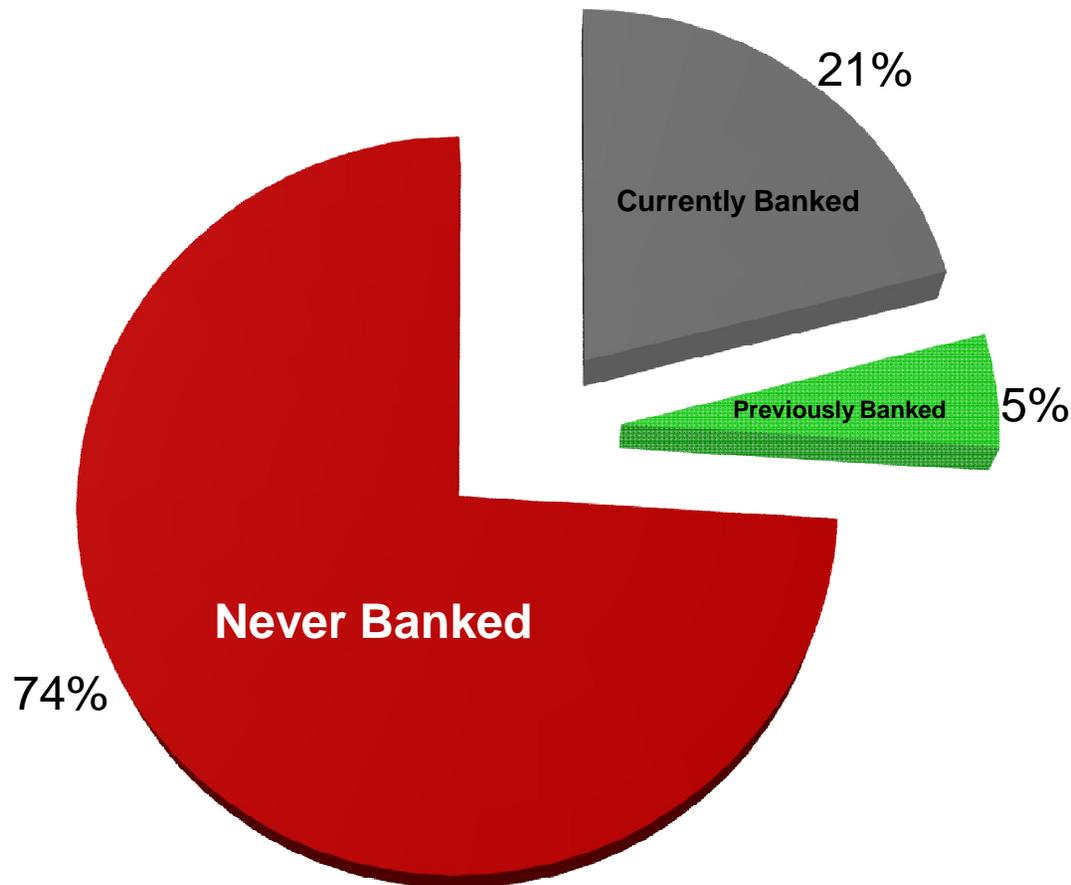
- EFInA – ‘Enhancing Financial Innovation & Access’ is an independent, professional, non-profit organization conceived and funded by DFID and Ford Foundation.
- EFInA was set up in late 2007 and our mission is to make the Nigerian financial system work better, especially for the poor.
- EFInA will focus on three distinct but mutually reinforcing sets of activities:
 - Providing credible market information on the Nigerian financial sector
 - Establishing and operating an Innovation Fund
 - Engaging in policy related advocacy to promote financial inclusion

Results from EFInA's National Survey on Access to Financial Services in Nigeria 2008

Banking

Banking Profile of the Adult Population

- Banking penetration is relatively low
- 85% of adult females are unbanked
- 86% of rural population are currently unbanked



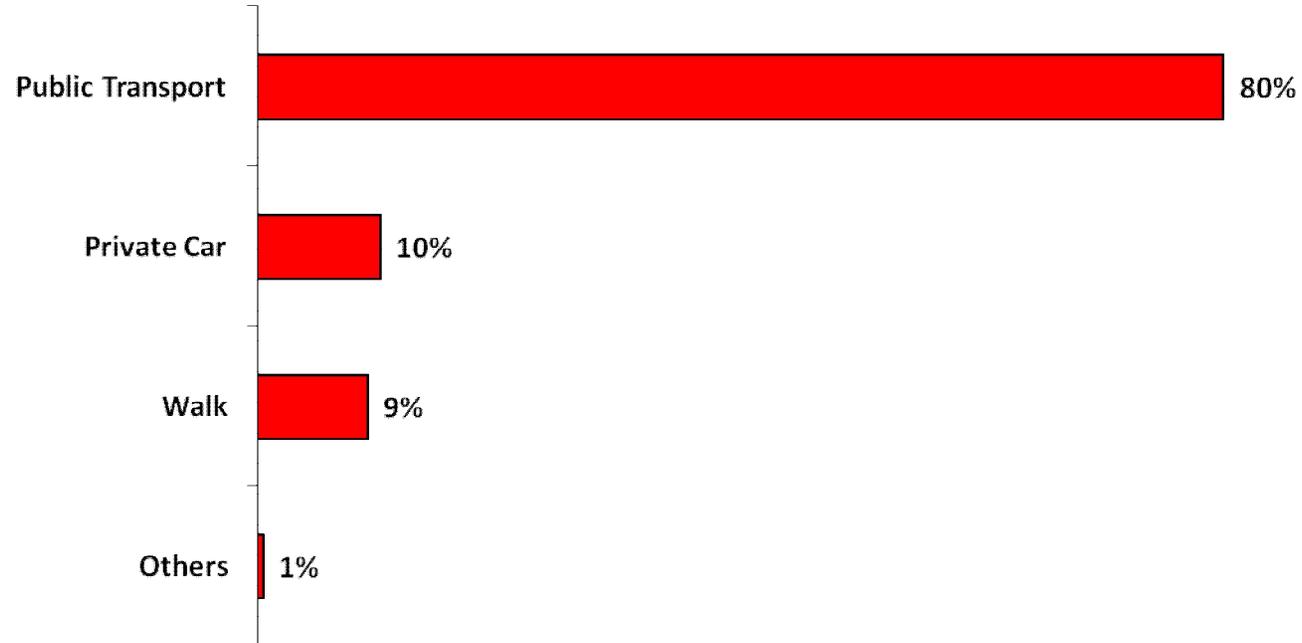
- Only 21% of the adult population has a bank account, which is equivalent to 18 million people
- 74% of the adult population have never been banked, which is equivalent to approximately 64 million people
- About 4 million other adults are previously banked, in other words, have left the banking system

Banked definition:

currently have any of these: ATM card, debit card, valu card, credit card, savings account, current account, fixed deposit account, mortgage loan, overdraft, Islamic loan or Islamic financing investment.

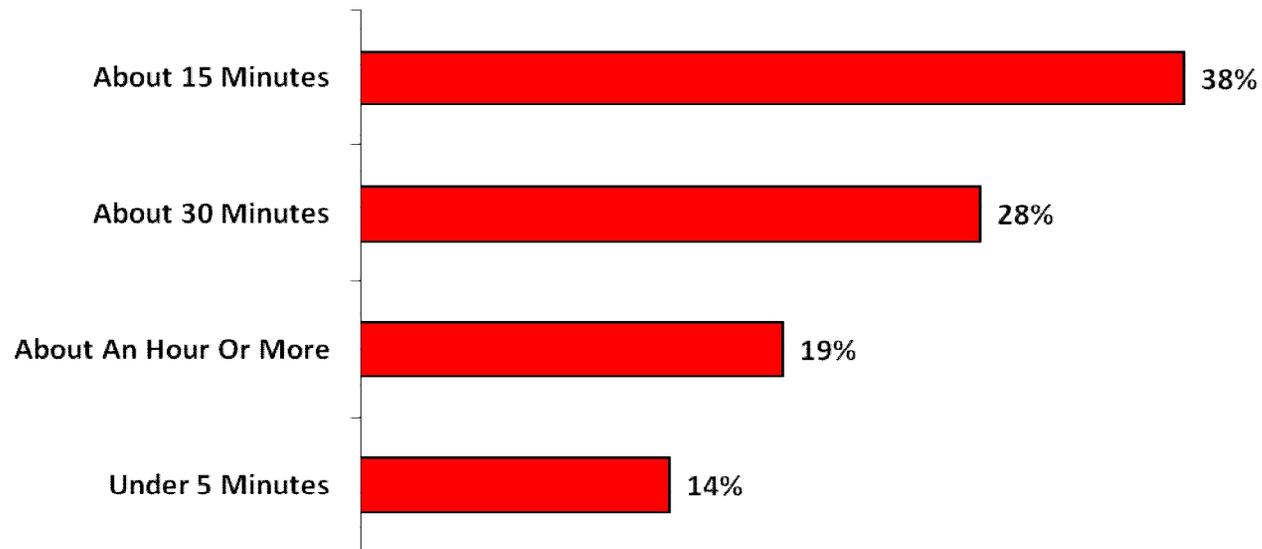
How do you most often get to the bank?

- 80% of those who are currently banked indicated that they take public transport most often to get to their bank



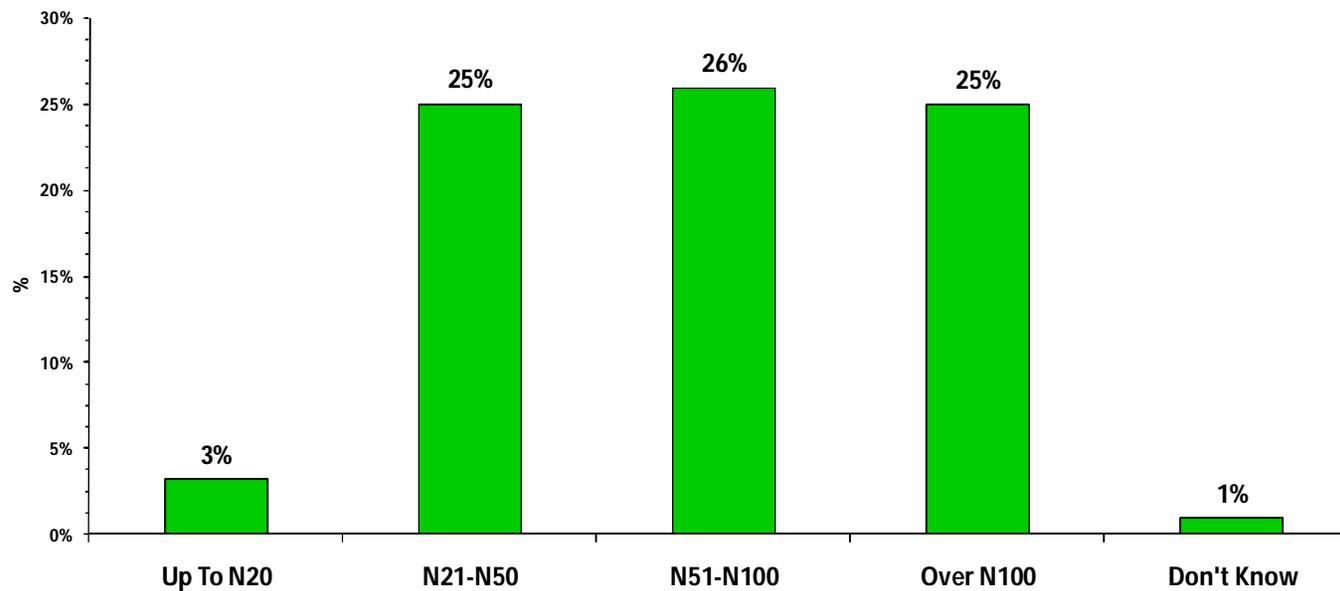
What is the average time it takes to get to the bank?

- For those who are currently banked 38% indicated that it takes an average of 15 minutes to get to the bank



Average Transport Fare to the Bank based on a one way trip only

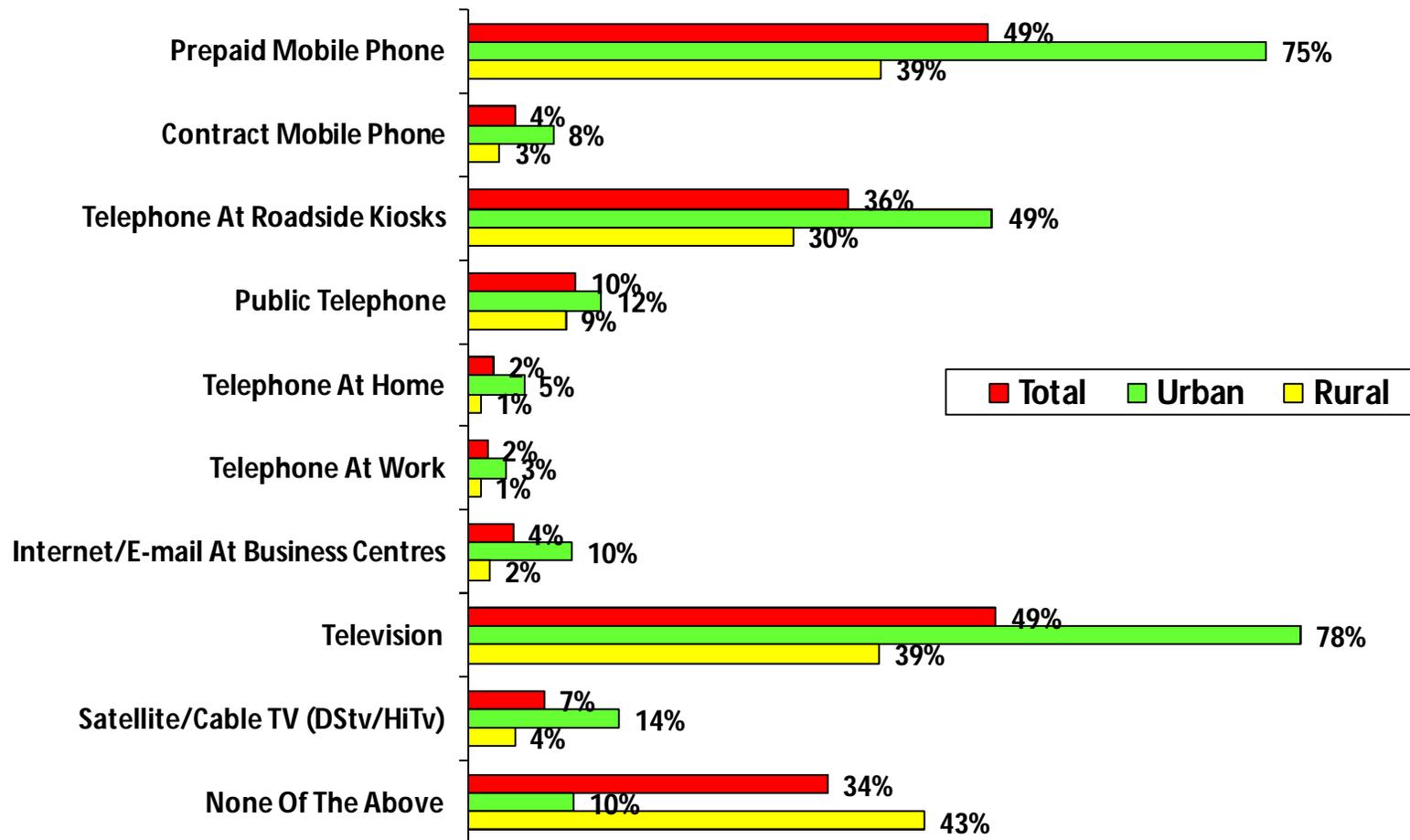
- Of those who are currently banked and use public transport, 25% spend between N21-50; 26% spend between N51-100 and 25% spend over N100 on a one way trip to the bank



Technology

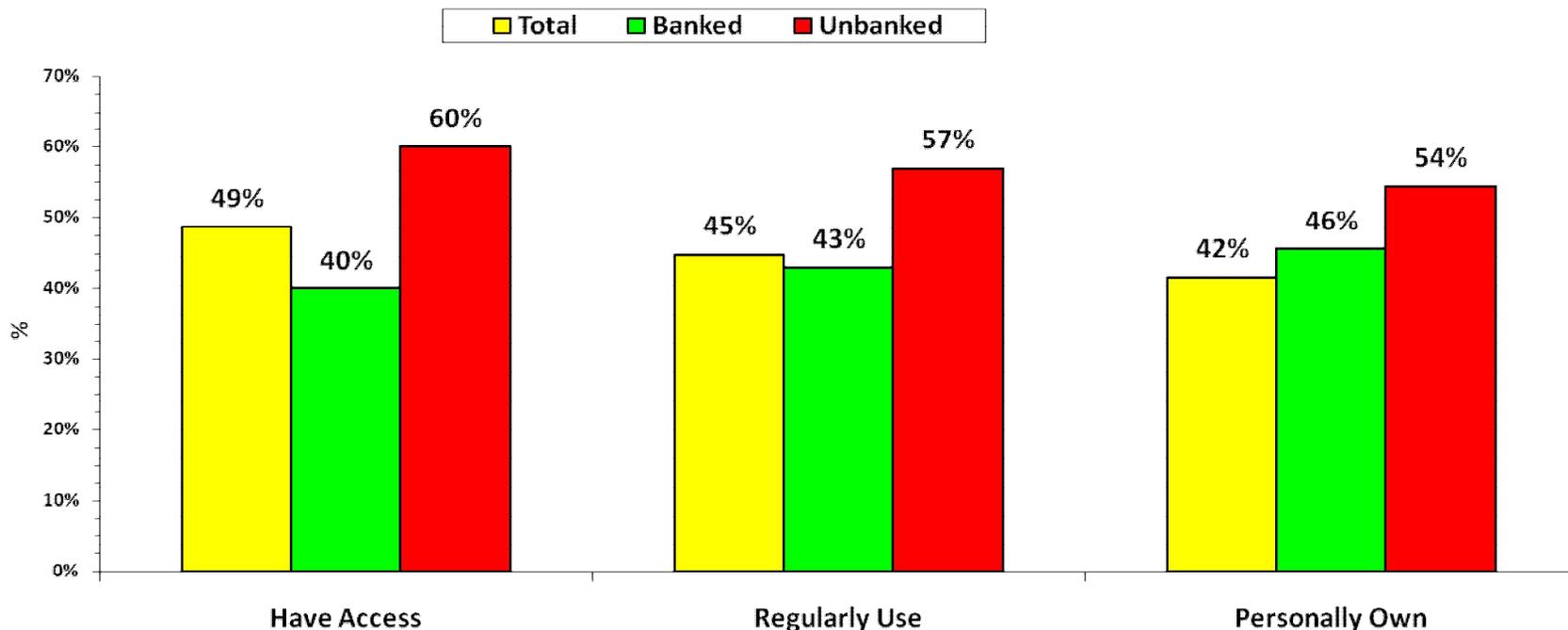
Access to Technology

- 75% of the adult population living in urban areas have access to a prepaid mobile phone



Mobile Phone Access, Ownership and Regular Use by Banking Status

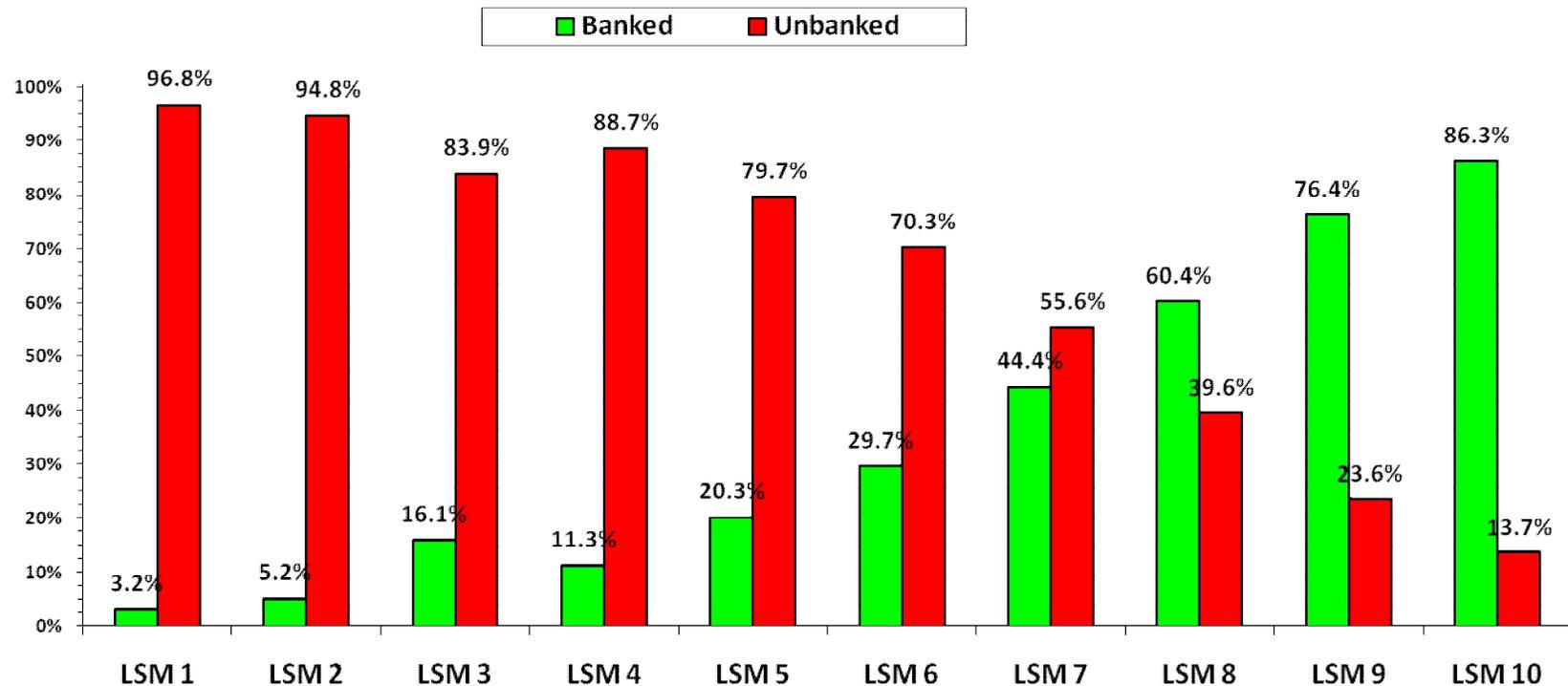
- Large market for people who are unbanked but have a prepaid mobile phone. Over 42 million adult Nigerians (49%) have access to a prepaid mobile phone and over 25 million of these are unbanked



Banking the Unbanked

Identifying the Bankable Market by LSMs

- The Nigeria market is an ideal market for further expansion into the lower income segments



Summary of the Key Characteristics of the Unbanked

- Belong to LSM 1-5 (equivalent to the DE socioeconomic group)
- 44% have some level of secondary education
- Predominantly rural
- Mostly female
- Likely to be living in the North East and North West
- 41% have no income
- Of those with an income, they are earning less than N8,000 per month
- Their main regular source of personal income is from farming (commercial and subsistence)
- 30% are within the age group 18-34 yrs

Access to our Survey Data

- Comprehensive database where information can be ‘sliced’ and ‘diced’ in multiple dimensions

Options

- EFInA will provide customised presentations for Board members and Heads of Research/Strategy for a fee
- Full data set for a fee
- Purchase a limited number of variables
- The format of the data will be available in SPSS
- Data request forms can be downloaded from the EFInA website
- Key findings report is also downloadable on the EFInA website

Website

- www.efina.org.ng

Innovation Fund

Summary of the Key Characteristics of the Innovation Fund

Purpose of the Innovation Fund

- The Innovation Fund is a special facility within EFInA that seeks to promote innovation in the development of financial services and thus expand financial access to the underserved population in Nigeria.
- EFInA will share the risk of developing and implementing new innovations by providing a grant subsidy (up to 50%) for new commercial projects.

Seed Grants (First Phase)

- Seed grants are given at an early stage to provide support for projects in design, development or pilot phase. These projects are to be implemented within six months of the grant being awarded.

Eligible Expenditure

- Includes – technical assistance, market surveys, business case development and research

Summary of the Key Characteristics of the Innovation Fund

Key Focus Sectors

- Branchless banking including mobile banking
- Savings
- Payment Services

Application Process

- Applicants will be requested to submit a proposal in the form of a concept note (3-5 pages)

Next Phase - Innovation Grants

- The second phase will be the launching of the Innovation grants, whereby larger funding will be available for projects in sectors defined by our Request for Proposals

Further Information

- Brochures will be distributed at this event
- Additional information can be found on our website www.efina.org.ng

According to a recent report from Informa Telecoms & Media on Mobile Payments and Banking

- Informa forecasts that by 2013 almost **300 billion** transactions, worth more than **US\$ 860 billion** will be conducted using a mobile phone – a 12 fold increase in global transaction values in just five years

Remote Mobile Payments

- Informa predicts that by 2013, **over 445 million mobile** subscribers will be regularly using their mobile phone to purchase physical goods and services remotely
- Informa estimates that of the total value of mobile payments and transactions in 2008 - around **US\$71 billion** - approximately a third was spent on purchases of mobile digital content such as ring tones, games and music tracks, but by 2013 over **95%** of mobile transactions will be for physical goods and services

Mobile Money Transfer

- Will be primarily driven by the requirements of migrant workers from emerging markets
- By 2013 Informa forecasts that almost **424 million consumers** will be sending **US\$157 billion** of personal funds via mobile domestically whilst a further **73 million** will be sending **US\$48 billion** of funds via mobile internationally

Thank You
