

Opening and Welcome: The State of Financial Inclusion and Mobile Money in Ghana

Buddy Buruku, CGAP

February 29, 2016

Accra, Ghana

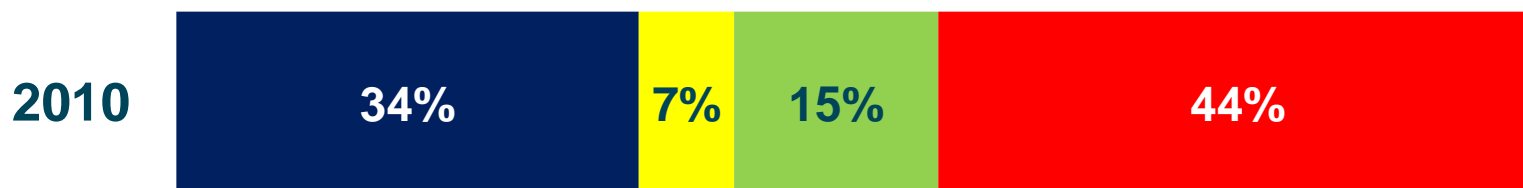


FII Ghana 2015:
The state of financial inclusion
and mobile money in Ghana

Buddy Buruku
February 2016

The financial landscape in Ghana has developed since 2010

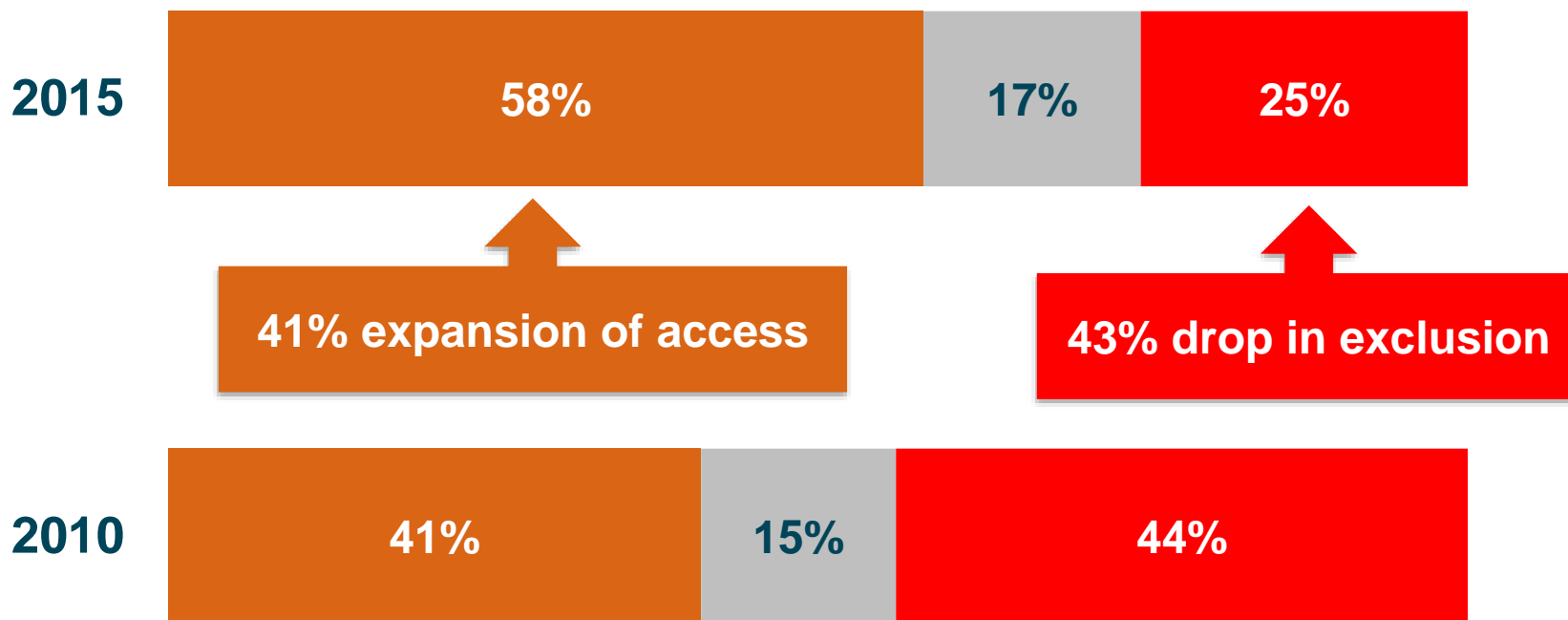
Access Strand in FII 2015 vs FinScope 2010



■ Bank ■ Non-bank formal ■ Informal only ■ Excluded

Access to formal financial services has risen by nearly half

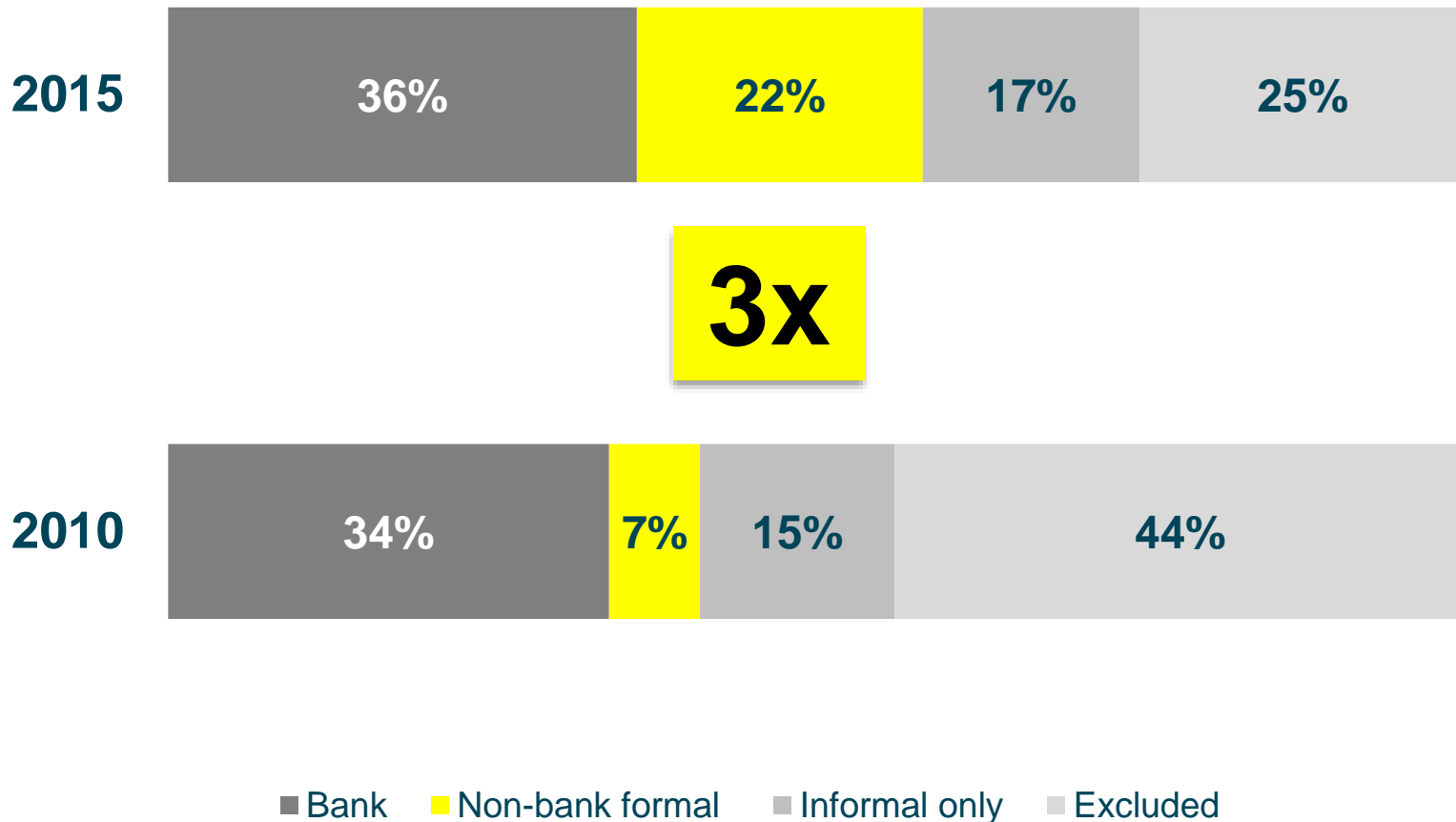
Comparing FinScope 2010 and FII 2015



■ Formally included ■ Informal only ■ Excluded

The main driver is rapid growth in nonbank formal services

Access to these services tripled in five years



Half of this is directly attributable to mobile money

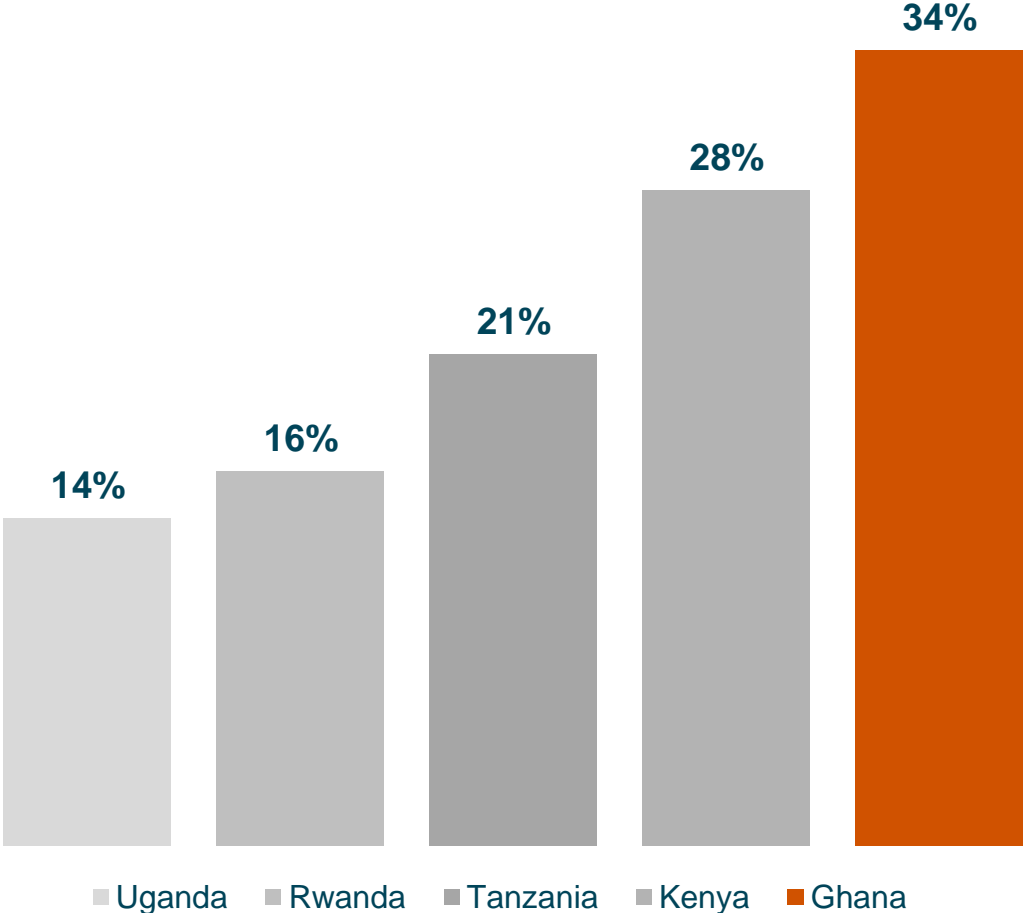
The other half is thanks to both mobile money and other nonbank formal



■ Bank ■ MM only ■ NBFIs & MM ■ NBFIs only ■ Informal only ■ Excluded

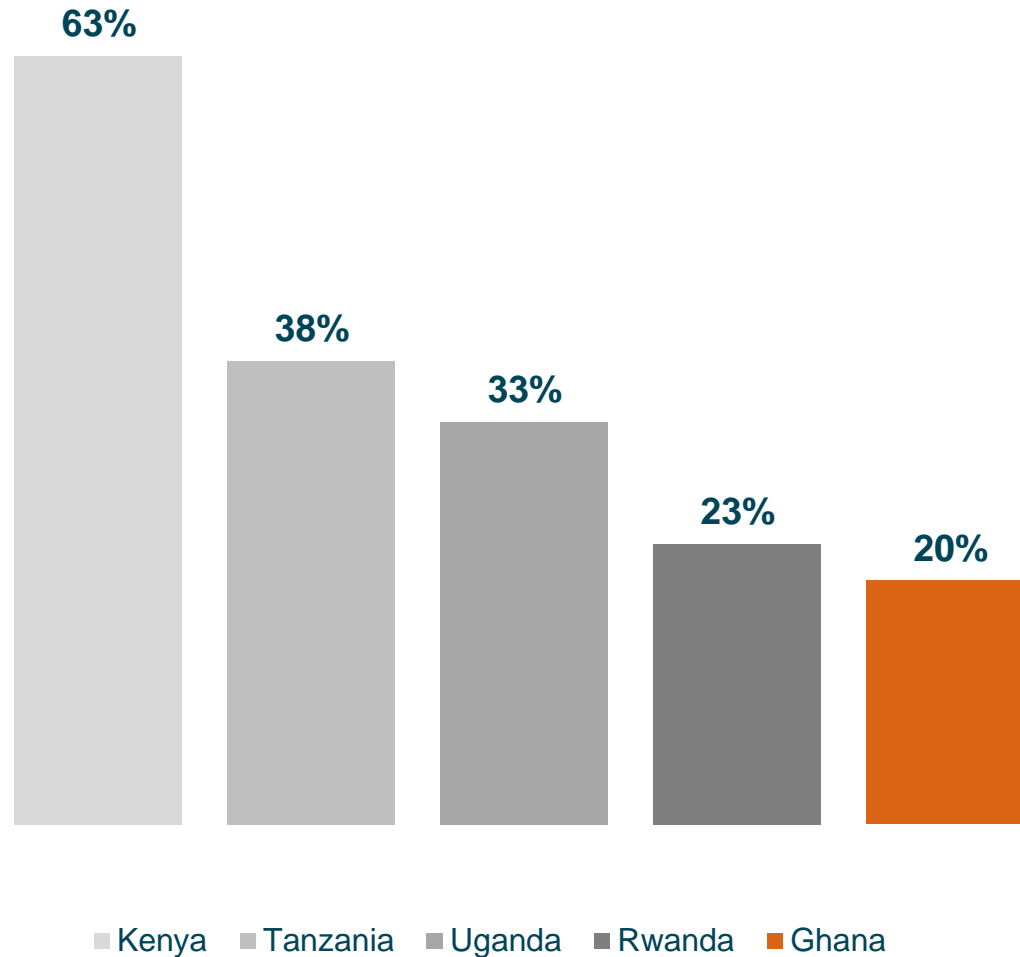
Ghanaians are highly banked compared to peers

Share of adults who have a registered bank account (%)



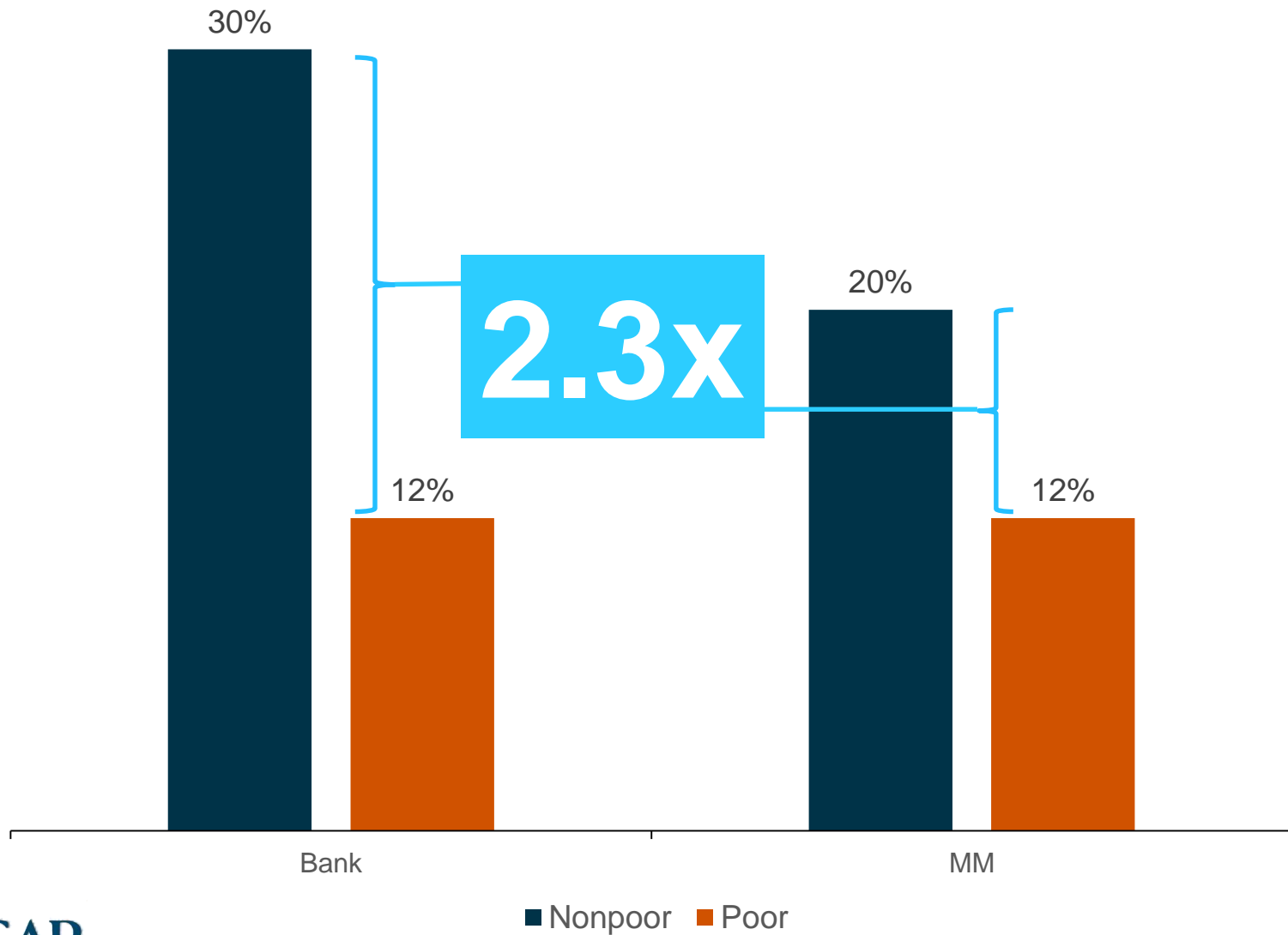
...while mobile money in Ghana is still developing

Share of adults who have a registered mobile money account (%)



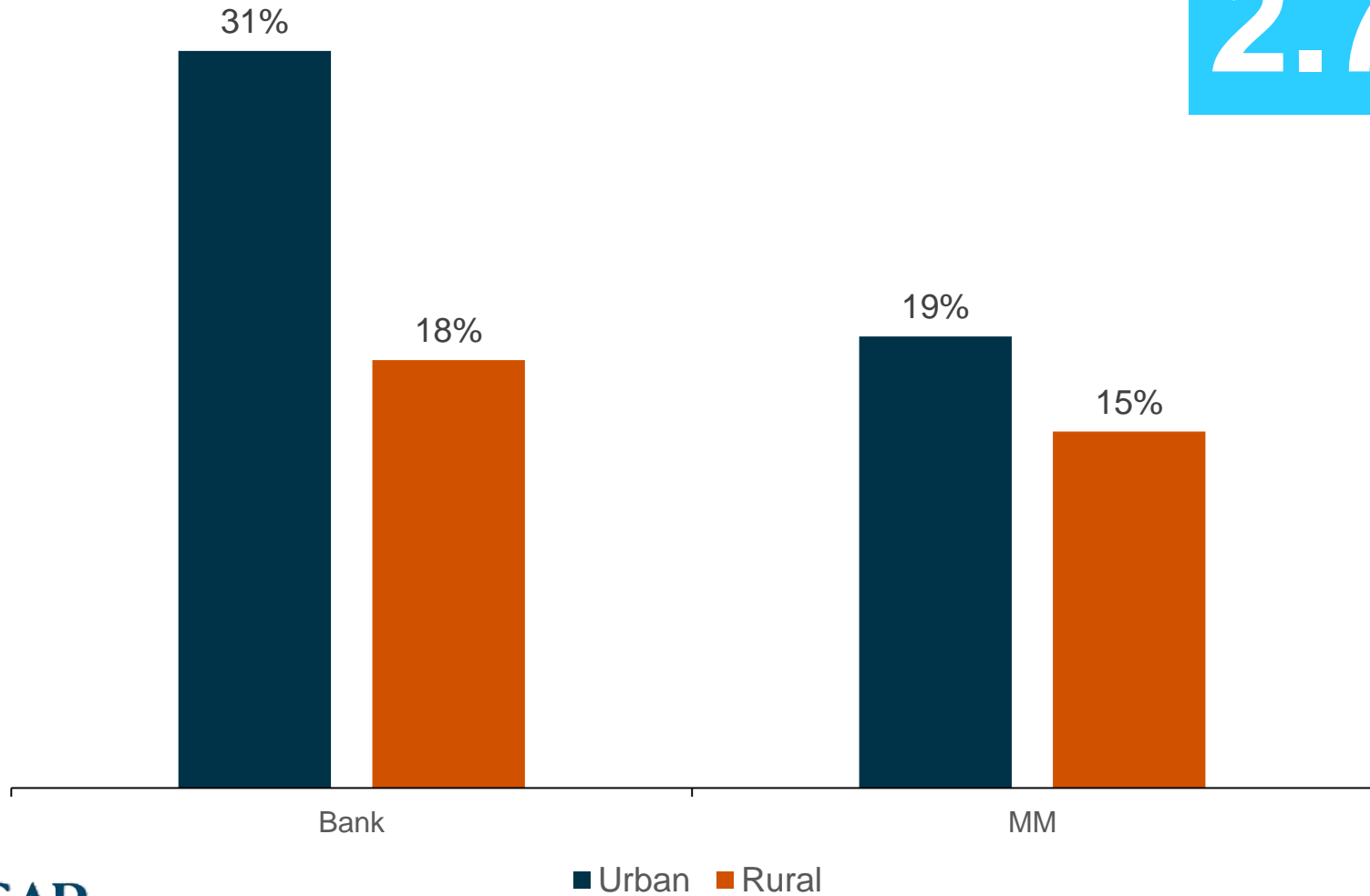
The poor / non-poor inclusion gap is smaller for mobile money

Inequity in active registered use of bank accounts is more than twice that for MM

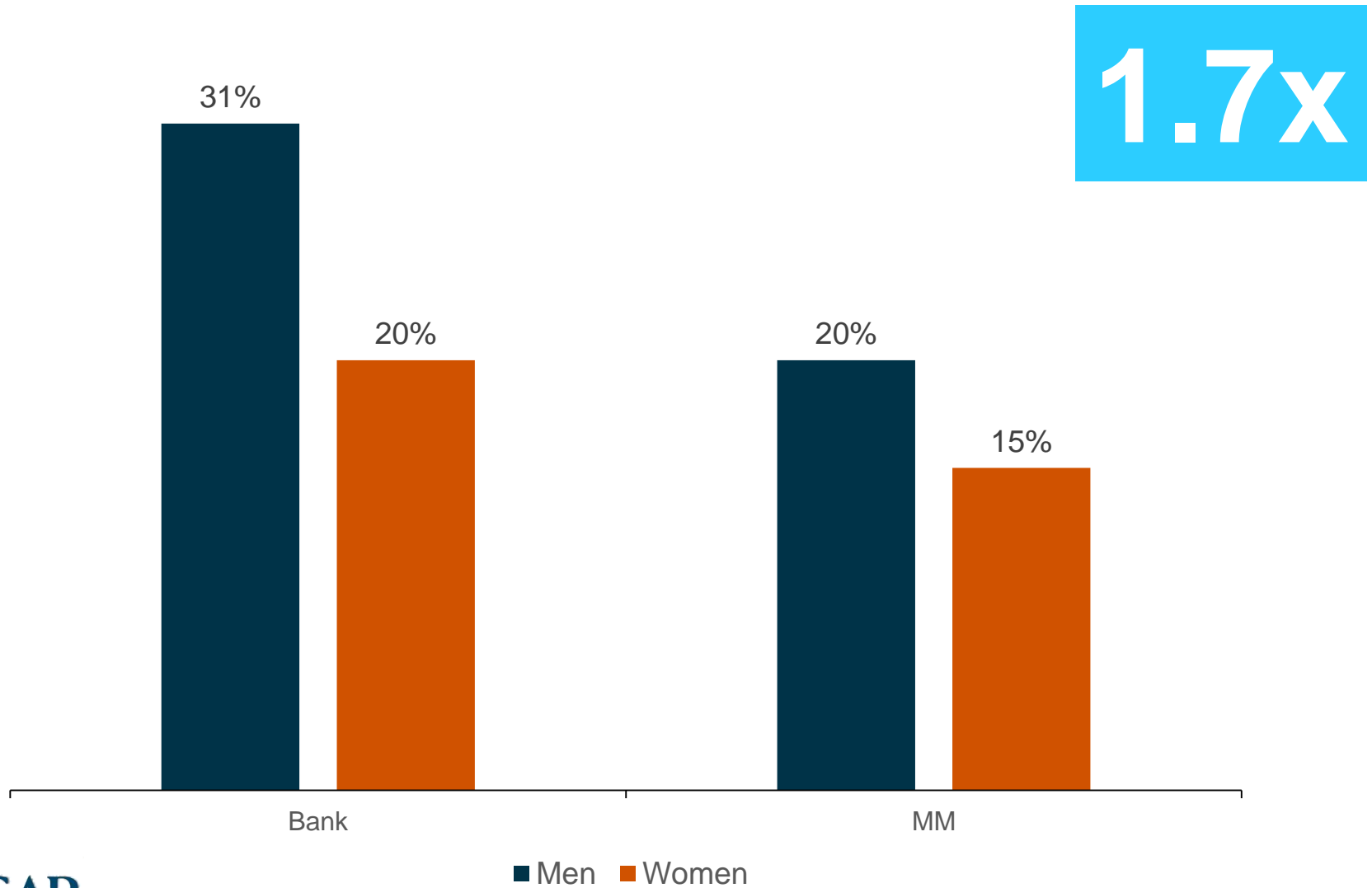


...as is the urban / rural gap

2.7x



...and the gender gap



Looking strictly at accounts, banking still contributes more

But mobile money accounts have substantially outgrown NBFi accounts

48% of Ghanaian adults have registered accounts with a formal financial institution



34%
have bank accounts



8% have nonbank financial institution accounts

20%
have mobile money accounts



A few statistics on the mobile money market right now

10m registered
MM accounts

4.4m active
MM accounts

44,000 active
MM agents

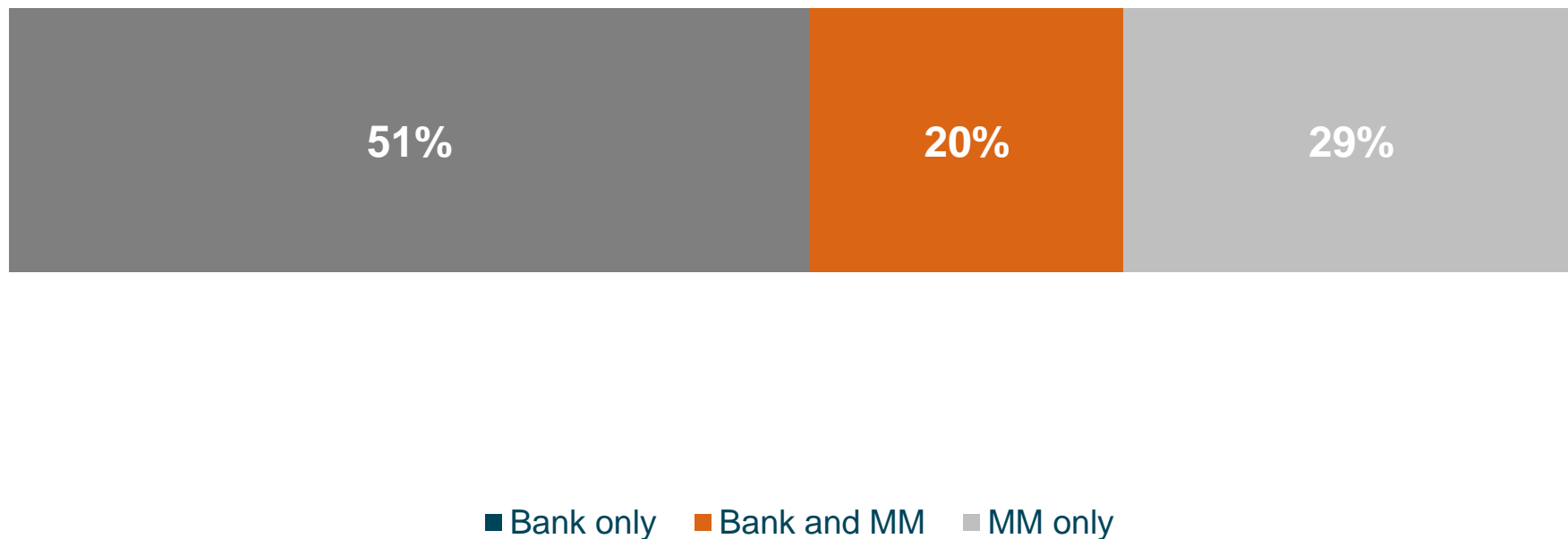
24m transactions
each month

\$900m transacted
each month

\$100m MM wallet
balances

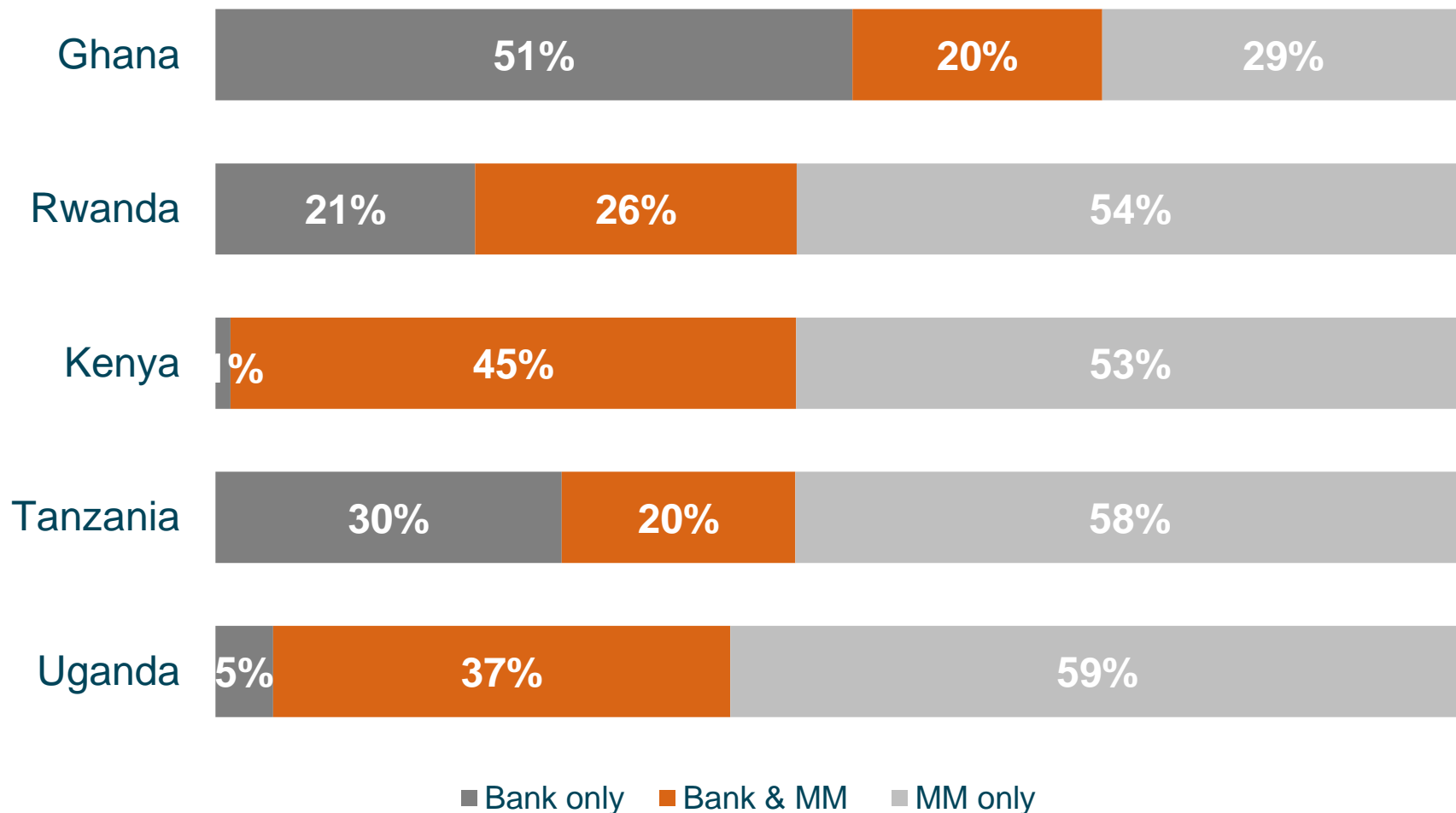
Nearly half of active MM account holders also use a bank account

Share of active users of bank and/or MM accounts who use either or both types (%)



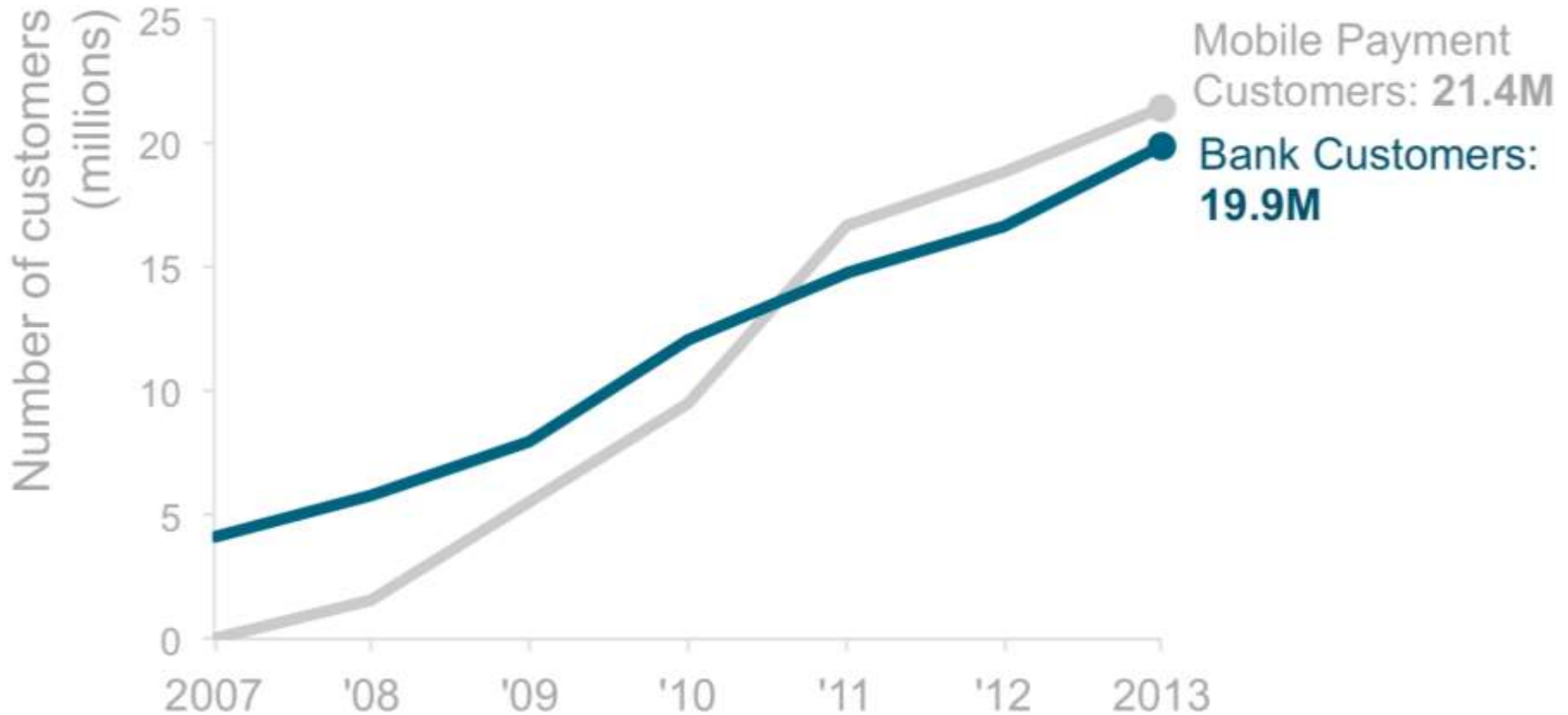
This is in line with evidence from peers that there is no contradiction between banking and mobile money services

Share of active users of bank or MM accounts who use either or both types of accounts (%)



This development is complementary to banking and should not be seen as a threat to banks, as East Africa also shows

Bank vs MM accounts in Kenya, 2007-2013



On the contrary, the expansion of formal accounts enables a range of other services, many of which are powered by banks

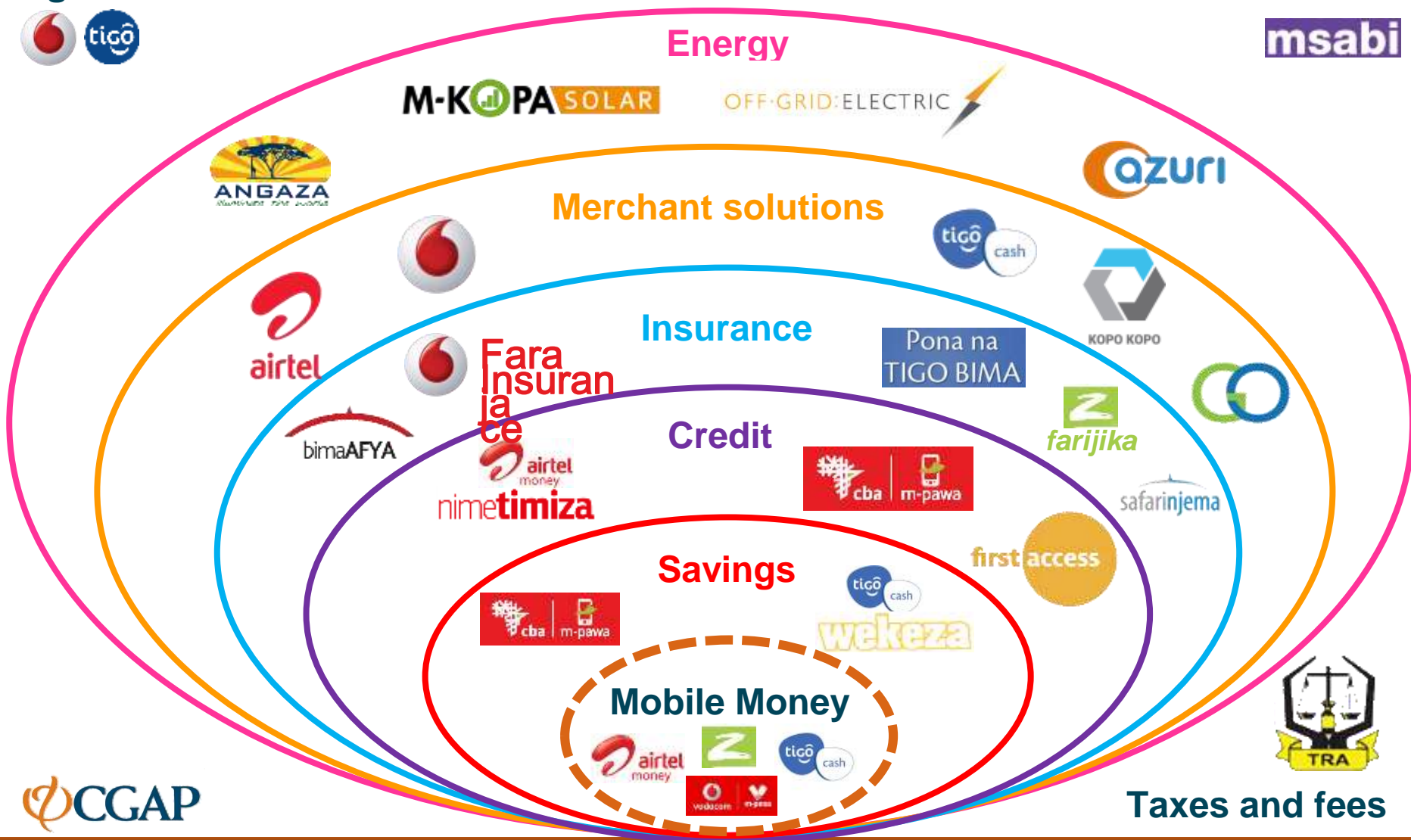
Agriculture



The MFS ecosystem in Tanzania

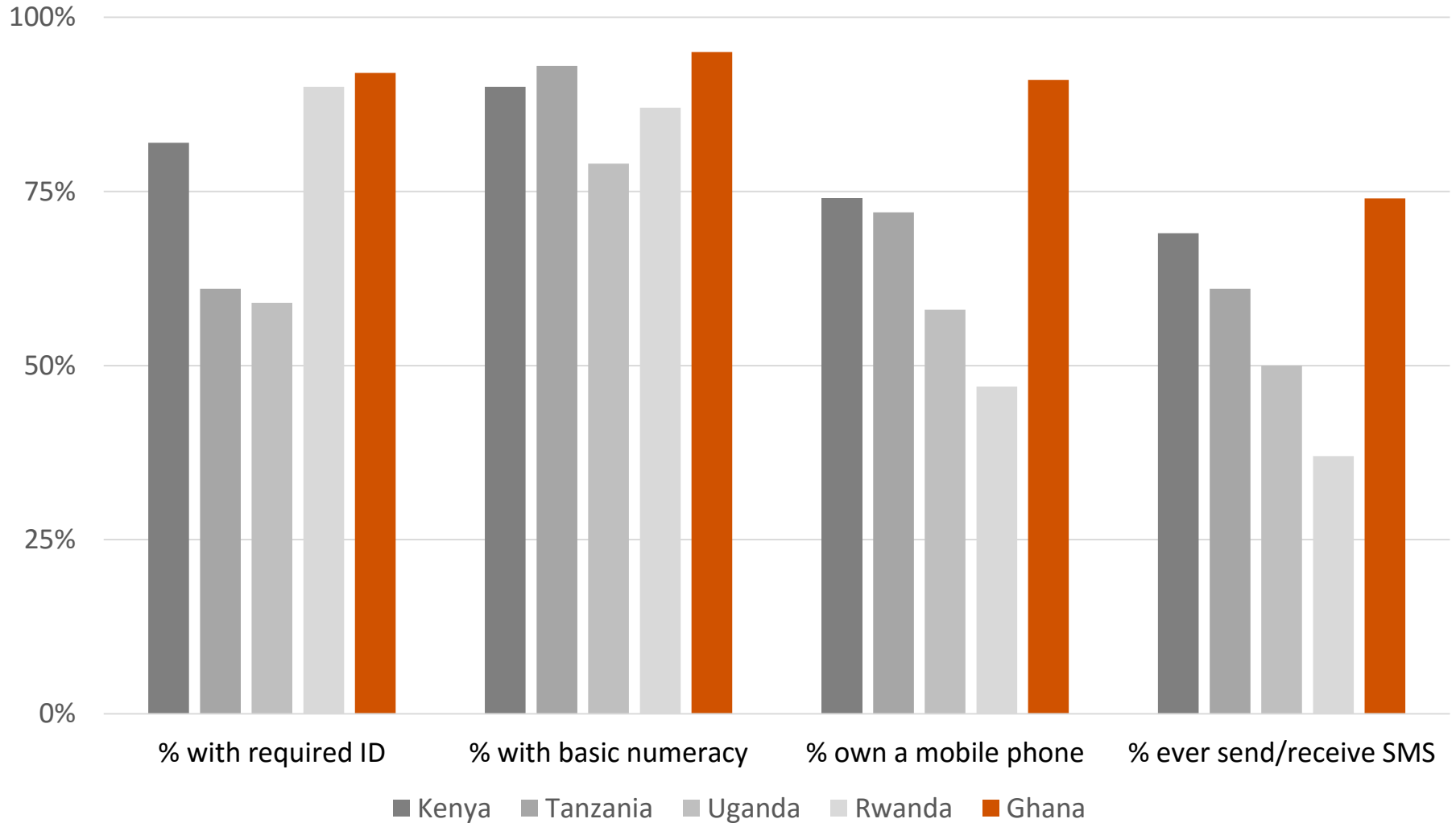
Water

msabi



Ghana has all the base conditions for MM to be successful

In fact conditions are better here than in the leading East African markets

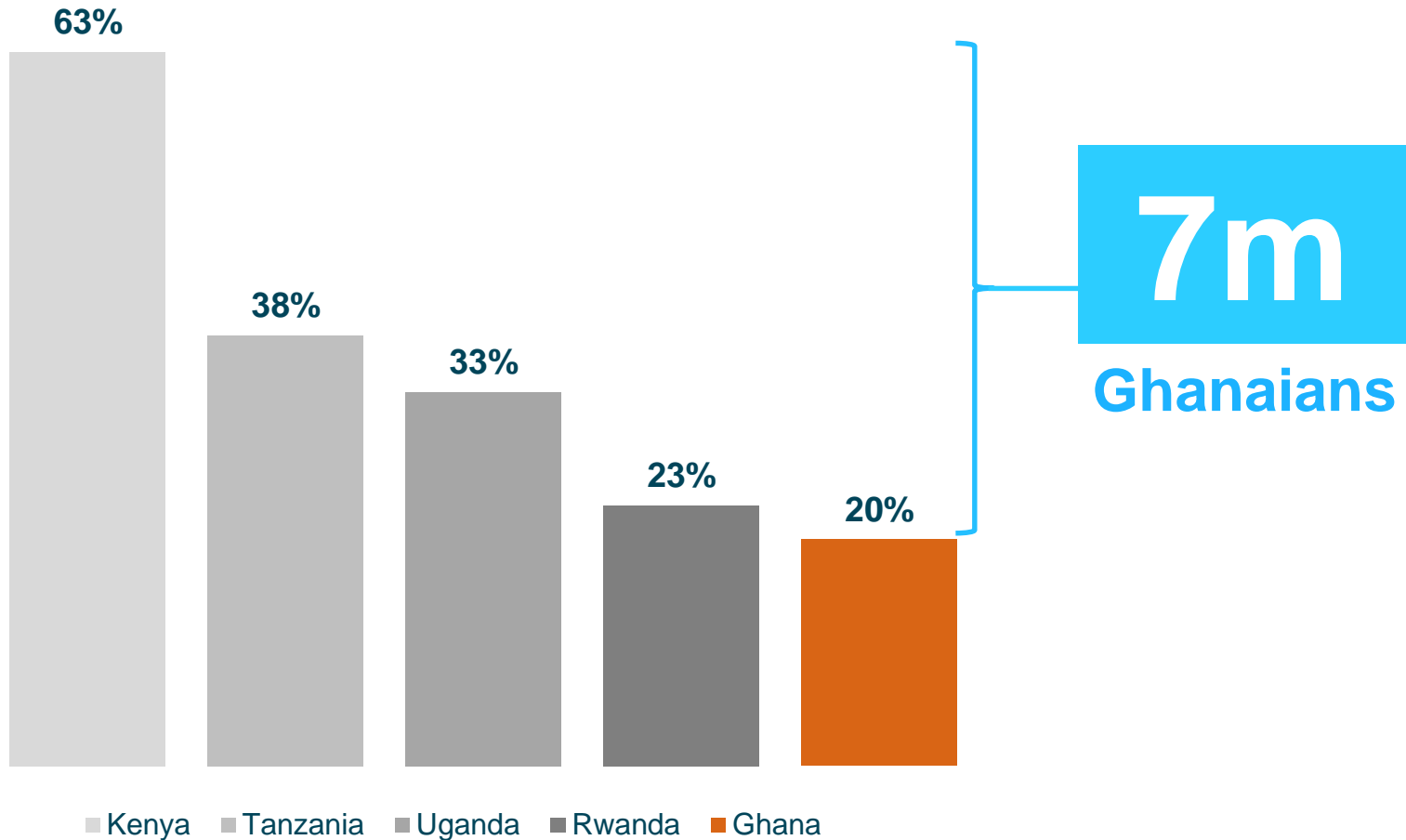


And the mobile money space is now quite competitive



So there's no reason not to expect Ghana to catch up with the leading mobile money markets in East Africa

Share of adults who have a registered mobile money account (%)



Summary of takeaways on inclusion in Ghana

Financial inclusion has expanded substantially in last five years

This is driven by nonbank formal, notably mobile money

Banking is comparatively high but not growing much

Lagging regions and vulnerable groups are catching up faster

CGAP

Advancing financial inclusion to improve the lives of the poor



Foreign Affairs, Trade and
Development Canada
Affaires étrangères, Commerce
et Développement Canada



BILL & MELINDA
GATES foundation



MetLife Foundation
Ensuring Access. Empowering Communities.





MICROLEAD

THANK YOU