



**Micro
savings,
maximum
impact.**

**Scale
2Save**



Savings and Retail Banking in Africa

We shall cover:

- Research Methodology
- Select insights found
 - Demand-side analyses
 - Supply-side analyses: Overview, Accessibility, Affordability, Sustainability, Usability
- Key message
- What can be done?

Research Methodology

Supply:

- 21 WSBI member institutions in Africa
- 16 FSPs in the FMT/FSD network – 16 responses

Demand:

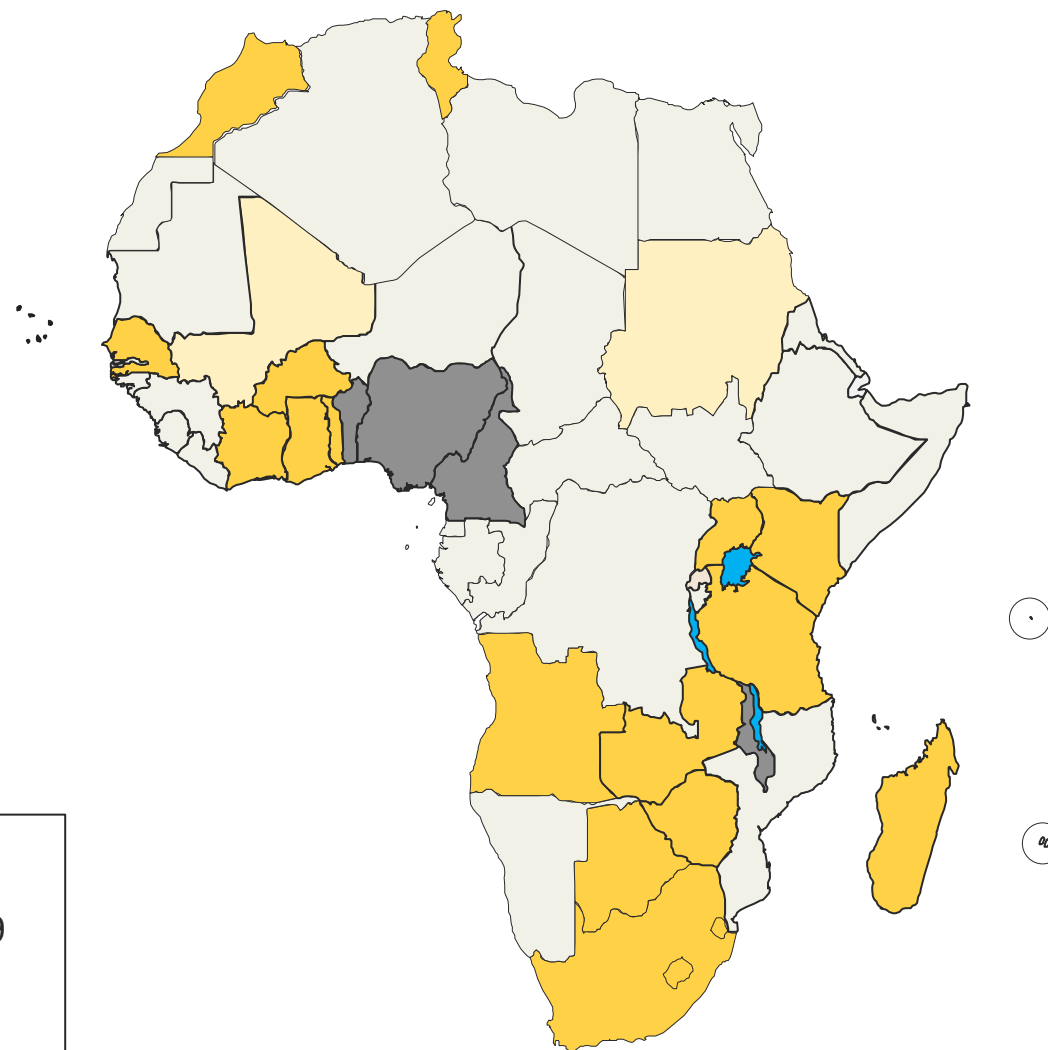
- 15 FinScope surveys and similar
- Global Findex & Financial Access surveys
- Interviews with the FSD network, some central banks and selected survey respondents

Legend:

Yellow-orange – Countries covered by WSBI FSP survey 2019

Light yellow – Countries with WSBI FSP survey 2018 only

Dark grey – Countries covered by FinScope-like surveys only



Market overview – demand-side

- Slowing down of “traditional” financial inclusion rate of increase
- Continued growth of mobile services, particularly mobile money
- Low utilisation of card payments (except South Africa)
- Low activity rates on transactional bank accounts and mobile money accounts
- Generally low savings rate
- Income levels remain a major constraint to sustainable and beneficial financial service take-up

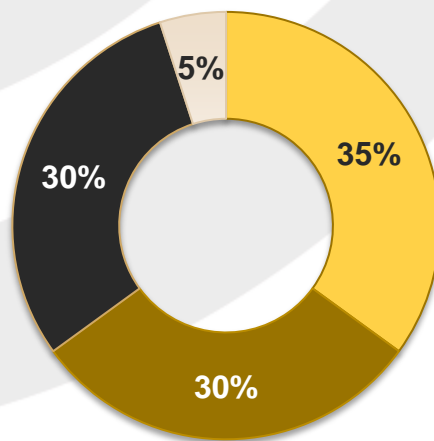
Supply side – Market overview & Cross cutting issues

- Slow or no growth in physical access (branches and ATMs)
 - Growth in agents and the intention to grow agents
 - Growing competition & growing segmentation
 - Constraints in lending still persist (funding Government debt)
 - Development of regulatory frameworks ongoing – Regulatory capacitation needs support
- Countries are unique – approaches to improving FI should recognise this

Supply side – Usability

What do customers like (FSP view)

■ Low fee ■ Interest ■ flexibility of deposits ■ Loan access



- Transactional accounts marginal growth 2017/2018
- Savings accounts some growth (5%)
- Activity rate remained low for both
- Mobile accounts showed healthier growth (18%), but with low activity rate (around 30% active and not increasing)

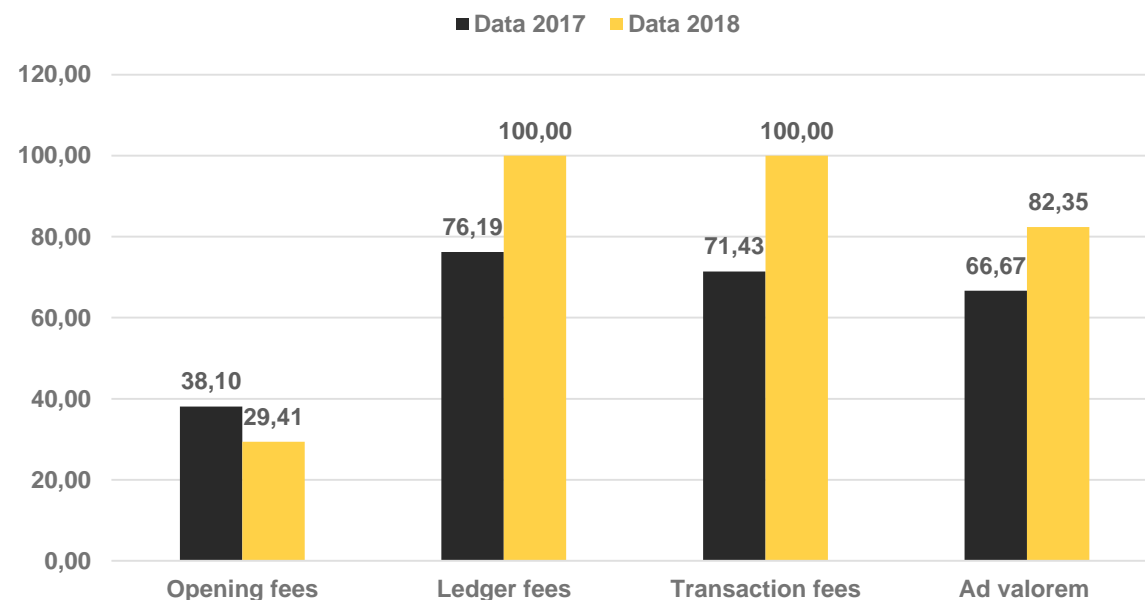
Supply side – Affordability

A shift in fee structure is noticeable:

- Decrease in opening fees
- Increase in ledger fees
- Increase in transactional fees, particularly ad valorem
- Decreased fee categories for mobile accounts

Still major constraint for savings and transactional account acquisition and account usage

WSBI Members Transaction Accounts Fee Structure



Supply side – Accessibility

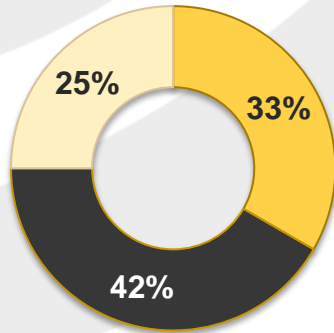
- No real growth in branches and ATM numbers – in line with broader trends.
 - Still significant growth in banking agents $\pm 10\%$ per annum
 - Increasing offering of mobile accounts
 - About 50% offer agents and 60% offer mobile accounts
- **Priority channels:**
- The majority of respondents (60%) intend increased focus on mobile
 - Lack of financial resources remain a major barrier to further development of digital channels

Supply side – Sustainability

■ FSP perception about viability of low-value service offerings

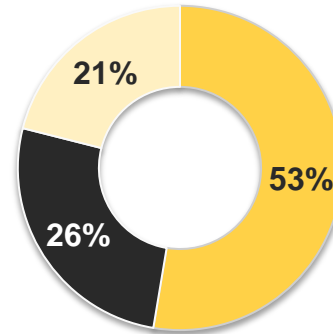
WSBI 2017

■ 4 (highly viable) ■ 3 (slightly viable)
■ 2 (poorly viable)



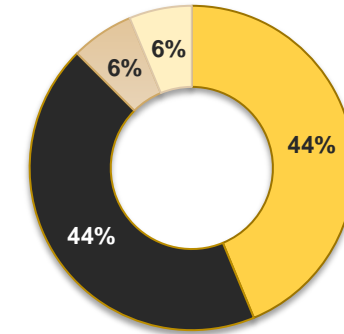
WSBI 2018

■ 4 (highly viable) ■ 3 (slightly viable)
■ 2 (poorly viable)



Non-WSBI 2018

■ 4 (highly viable) ■ 3 (slightly viable)
■ 2 (poorly viable) ■ 1 (not viable at all)



Key message

“Banking models have not yet adapted sufficiently to the local environment in which they operate”

From segmentation, to needs, to experience to enhance customer value proposition



Thank
you

Partnering for scale & Client centricity

Customer Relationships



Post bank

- Provides savings
- Large footprint

Distribution + Access



Technology provider

- Supports digital access

Financial Services License + Expertise



Microfinance Institution

- License for credit
- Experience in credit risk