


# FINANCIAL INCLUSION **insights**

APPLIED RESEARCH FOR  digital financial inclusion



## National Survey Report

Conducted December 2014 – February 2015

**RWANDA**



The Financial Inclusion  
Insights (FII) survey  
provides demand-side  
data and practical  
insights into digital  
financial services (DFS),  
including mobile money

**The FII team** conducts regular survey and qualitative research in Rwanda, Ghana, Kenya, Tanzania, Uganda, Nigeria, India, Pakistan, Bangladesh and Indonesia to:

- Track access to and demand for financial services generally, and the uptake and use of DFS specifically;
- Measure adoption and use of DFS among key target groups (females, BOP, rural, unbanked, etc.);
- Identify drivers and barriers to further adoption of DFS;
- Evaluate the agent experience and the performance of mobile money agents; and
- Produce actionable, forward-looking insights to support product and service development and delivery, based on rigorous FII data.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more: [www.finclusion.org](http://www.finclusion.org).

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**CGAP** funded the FII survey for Rwanda to gain a better understanding of Rwanda's market dynamics for DFS growth.

# A survey on digital financial services was conducted in Rwanda

## **Survey Summary**

- Nationally representative survey (N=2,003) of Rwandan adults aged 15+
- Face-to-face interviews lasting, on average, 66 minutes
- Conducted from December 10, 2014 to February 18, 2015
- Provides baseline measurements. Subsequent annual surveys can measure trends and track market developments in DFS.

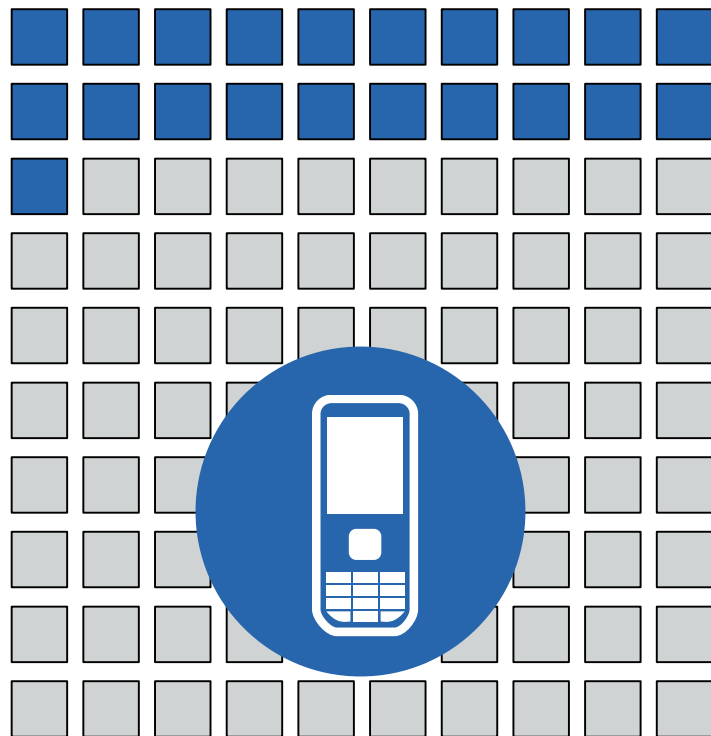
## **Data Collected**

- Basic demographics
- Poverty measurement (Grameen Progress Out of Poverty Index and Ubudehe)
- Access/use of mobile devices and mobile money
- Access/use of formal financial services (e.g., bank accounts)
- Access/use of semi-formal and informal financial services (e.g., SACCO, cooperatives, self-help groups)
- Financial literacy and preparedness
- Technical literacy

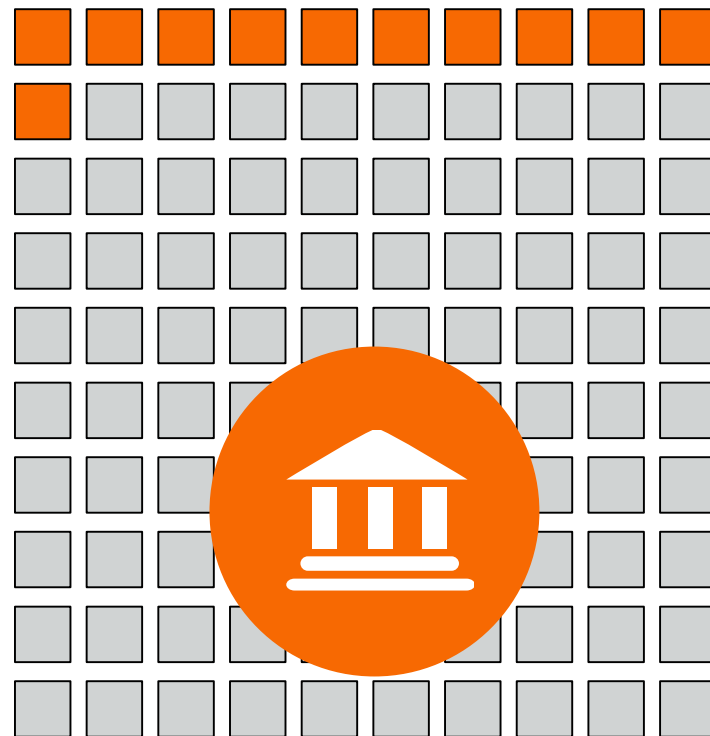
# Highlights



One in five Rwandans are active mobile money users; this is double the amount of active bank users



**21%** of Rwandans  
are active mobile  
money users

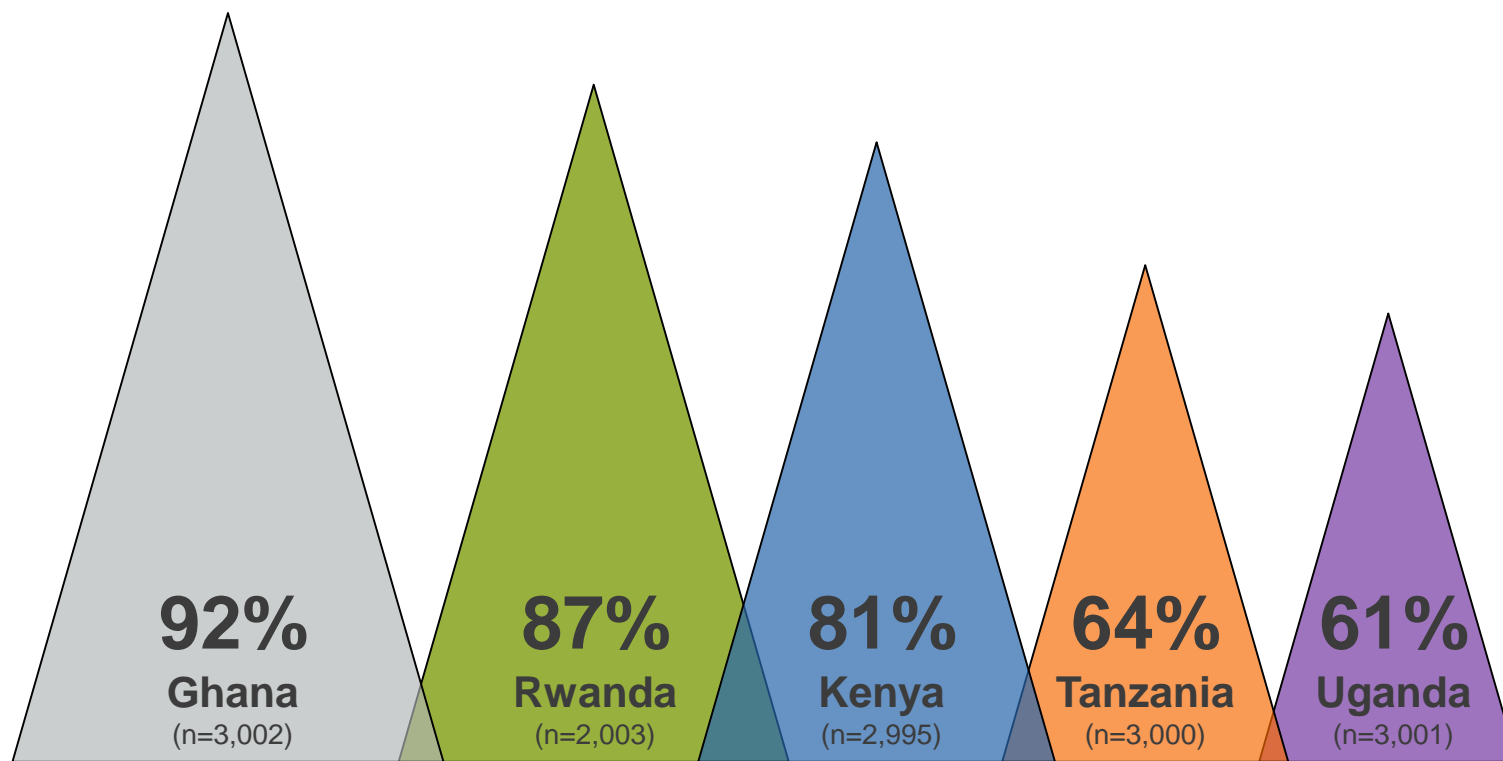


**11%** of Rwandans  
are active bank  
users

The figures above represent active users - those who have used services for any transaction type in the last 90 days, either via his/her own account or the account of somebody else.

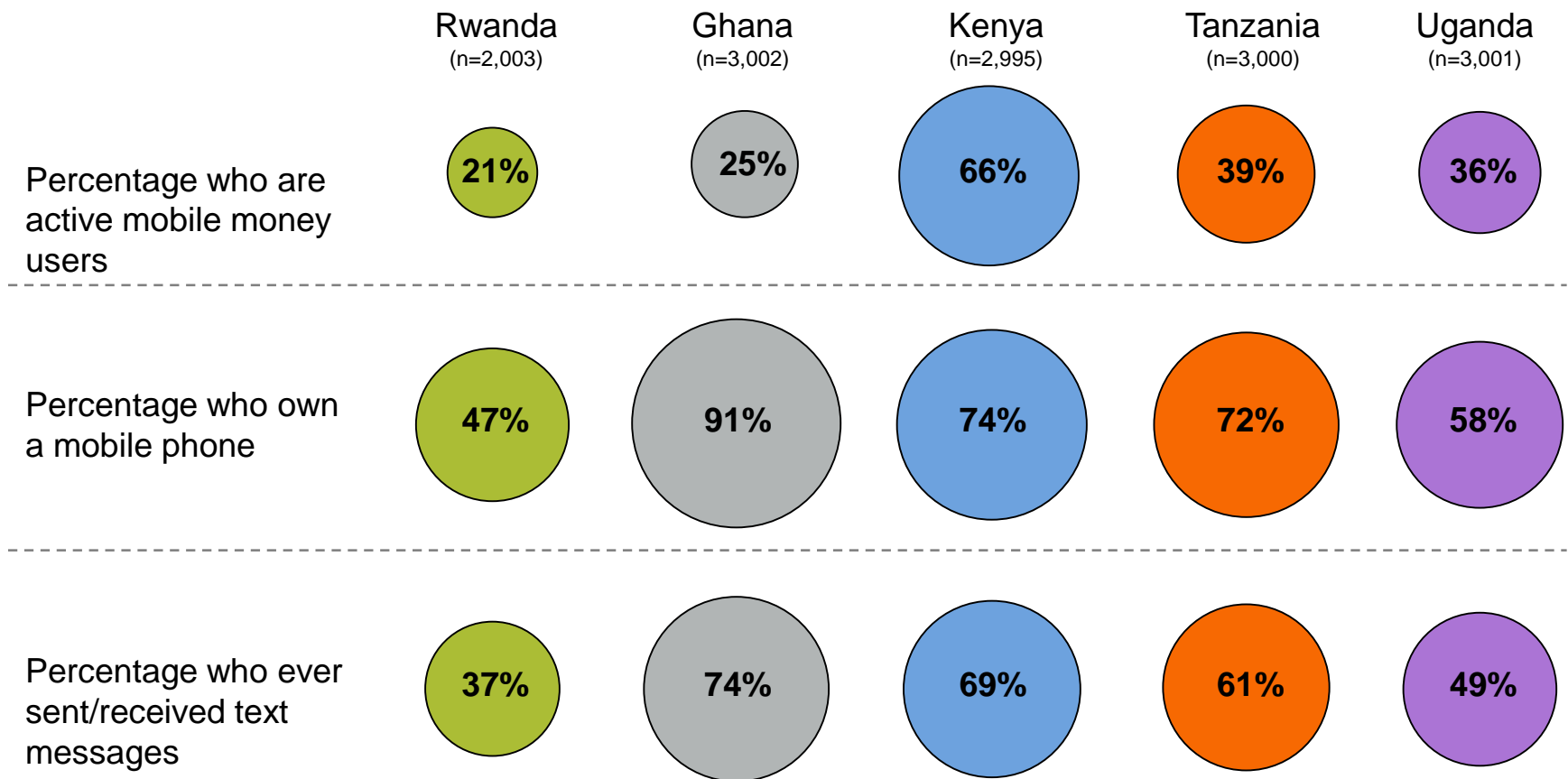
Nearly 90% of the population has any type of ID necessary for registering a formal financial account

**Percentage of respondents from each country who have any kind of acceptable ID required to register for a formal financial account\***



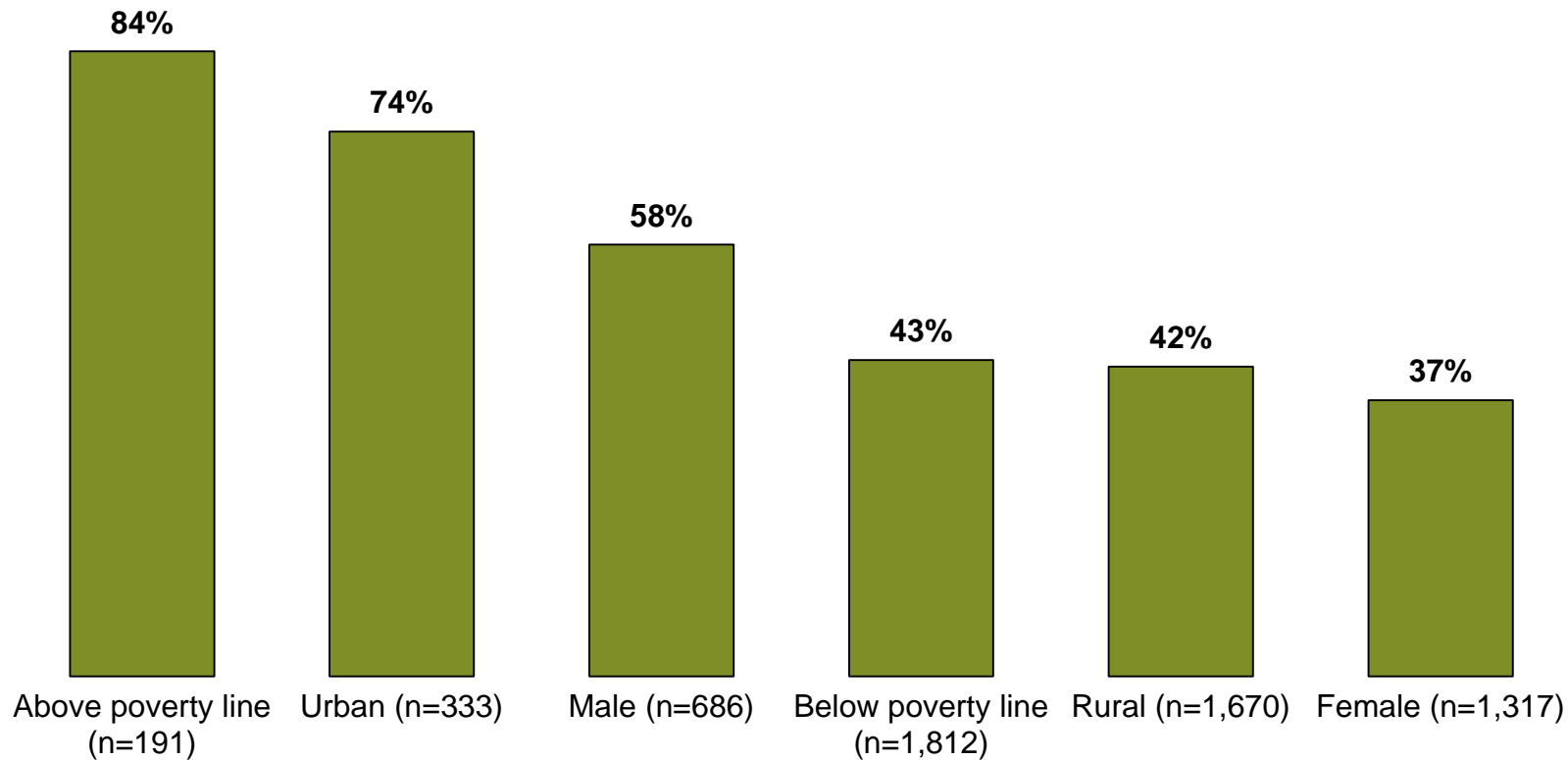
\*IDs required for registering an account include passport, driver's license, company ID, government ID, tax certificate, LC certificate, voter's card. The types of accepted IDs vary substantially, depending on each specific country's regulations.

Despite lower levels of handset ownership and technical literacy, Rwanda's mobile money market is impressive and catching up with its neighbors, who are global leaders in digital financial services



Handset ownership rates are especially low amongst females, those living below the poverty line, and rural residents

**Do you personally have a mobile phone?**

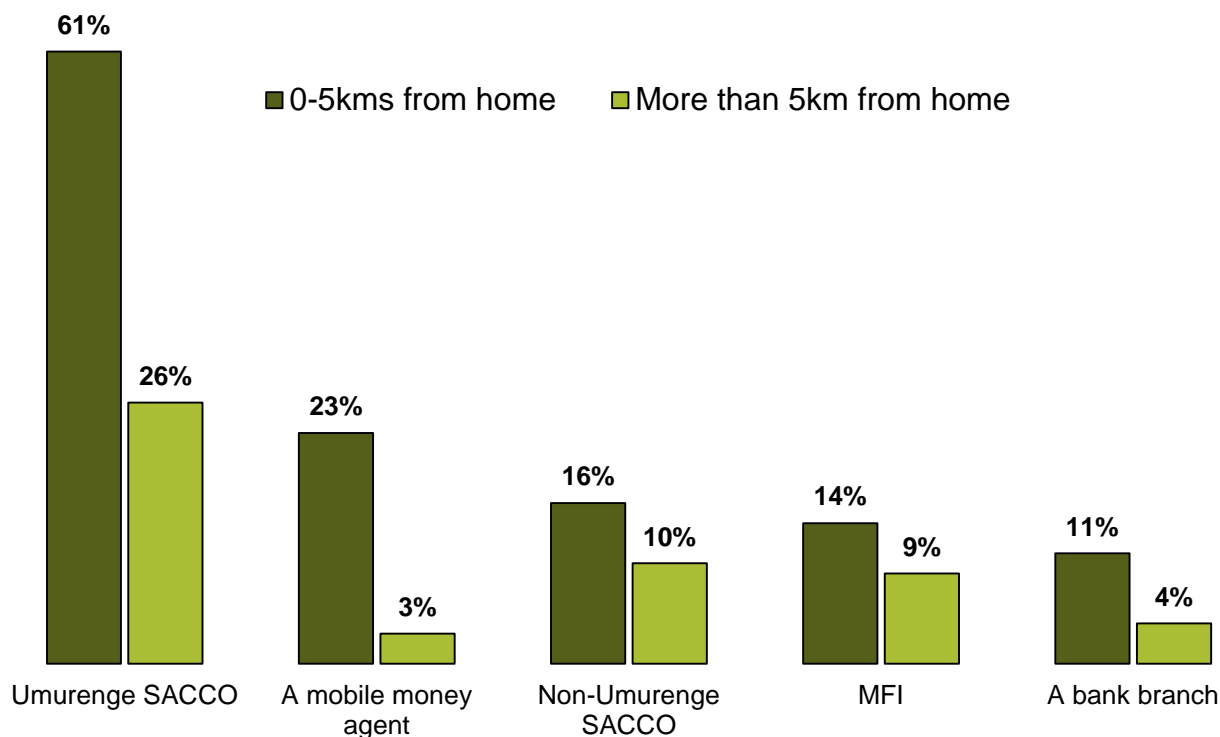




Physical access to financial services is impressive with Umurenge SACCOs (government-led initiative) and mobile money agents being the most prevalent points of access

### Perceived proximity to points-of-service for different financial institutions\*

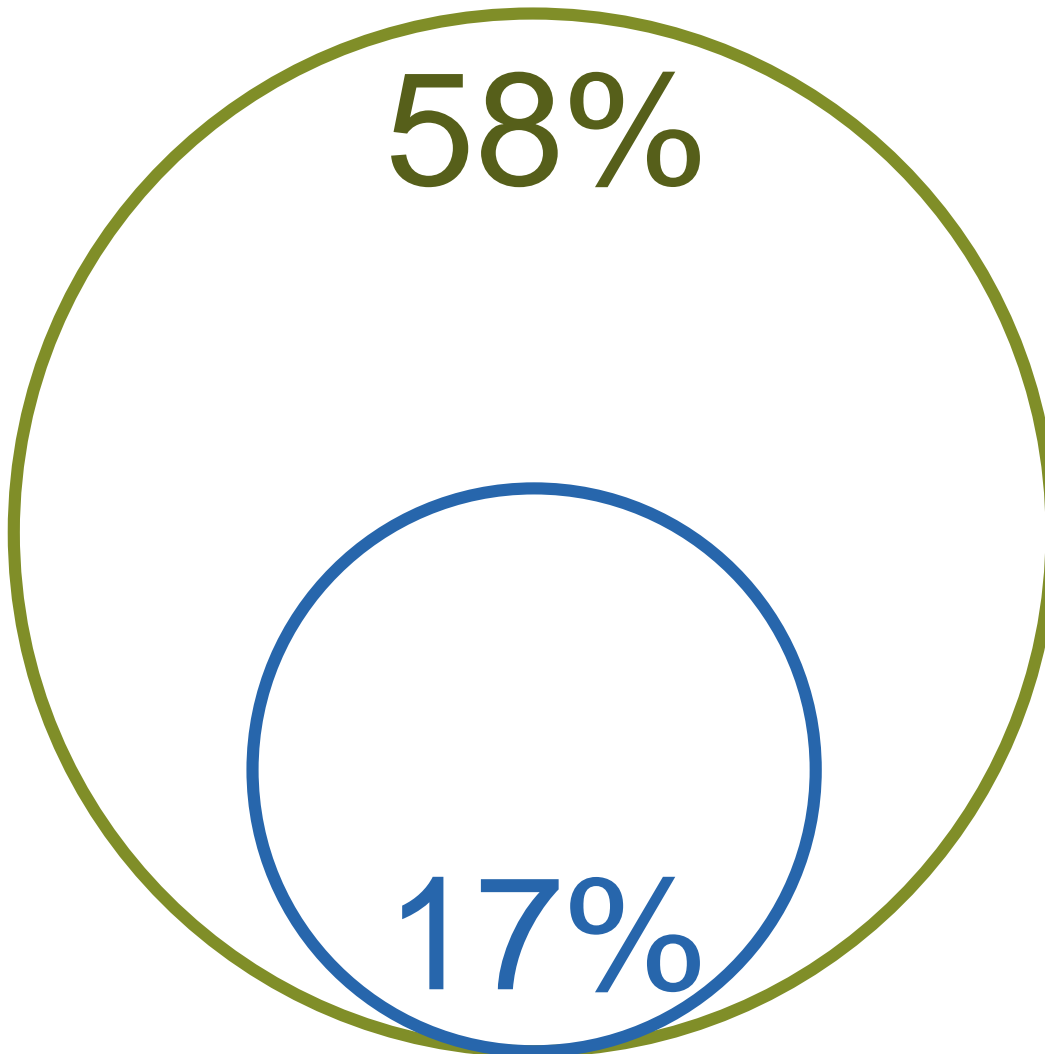
(Shown: Percentage of all adults, N=2,003)



\*The questions were asked of users of the respective financial institutions. Actual proximity may be more or less than perceived self-reported proximity. Categories are not mutually exclusive.

In Rwanda, community savings and credit cooperatives have been a financial inclusion success story. In just three years, these cooperatives, known as **Umurenge SACCOs**, have attracted over 1.5 million customers and are key to the government's strategy for financial inclusion. (AFI)

Umurenge SACCOs have successfully penetrated even rural areas, where the perceived proximity of SACCO access points is over three times that of mobile money agents



**Percentage of respondents living in rural areas who stated that Umurenge SACCOs were less than 5kms away\***

(n=1,662)

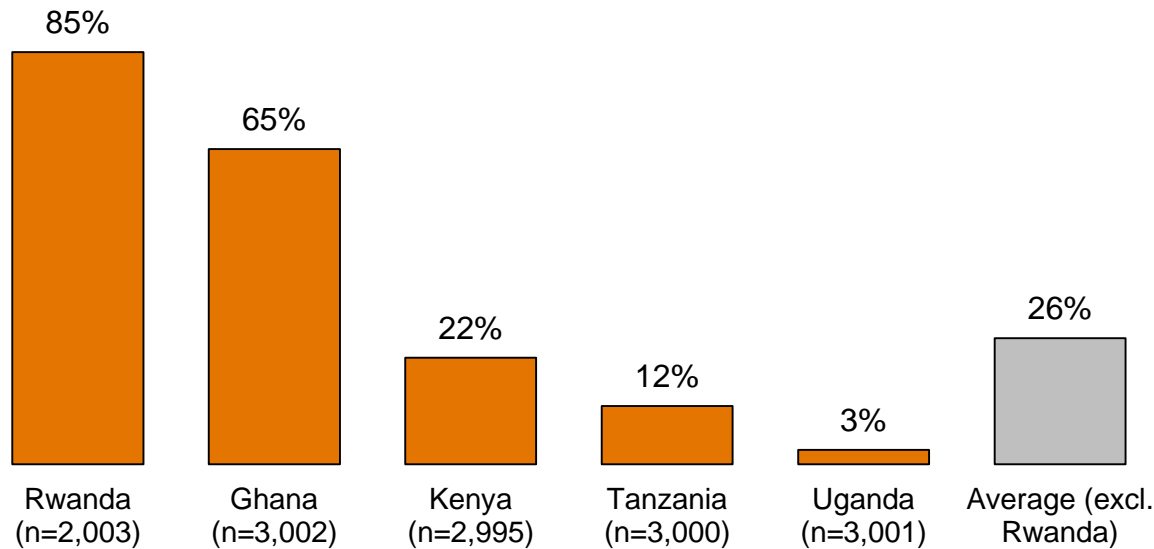
**Percentage of respondents living in rural areas who stated that mobile money agents were less than 5kms away\***

(n=1,662)

\*The questions were asked of users of the respective financial institutions. Actual proximity may be more or less than perceived self reported proximity. Categories are not mutually exclusive.

Rwanda is also a leader among other FII countries in Africa in insurance, with nearly 85% of the population having some form of insurance, mostly medical

### Percentage who have insurance, by country



### Percentages of Rwandan adults with different types of insurance

**83%**

Medical insurance

**4%**

Life insurance

**0.5%**

Automotive insurance

**0.4%**

House/other property

**0.2%**

Unemployment

### The Community-Based Health Insurance (CBHI)

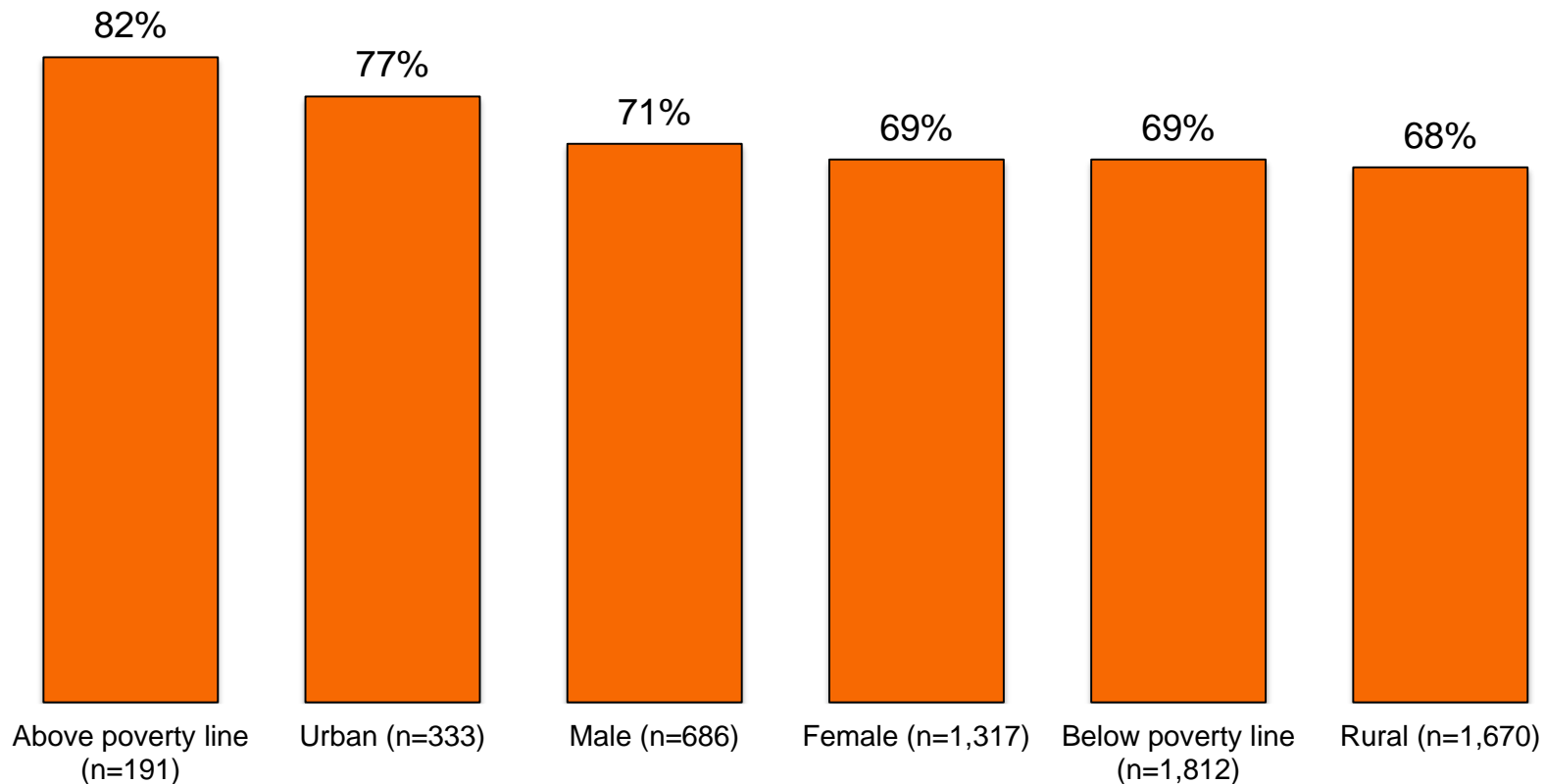
schemes are state-community partnerships, which provide health insurance coverage to populations employed in the rural and informal sectors (i.e., the majority of the poor) in Rwanda.

CBHI has helped develop a new national distribution modality through which the state, districts, donors and non-government organizations provide health insurance coverage to the poorest and most vulnerable groups.

The government continues to strengthen the quality of coverage accessible to the poor by reducing co-payments for the poor and prescribing a minimum health insurance package. Each household contribution is defined as a flat rate prescribed by the Ministry of Health.

Medical insurance has successfully penetrated the demographic groups that are most difficult to reach, including females, rural, and below-poverty residents

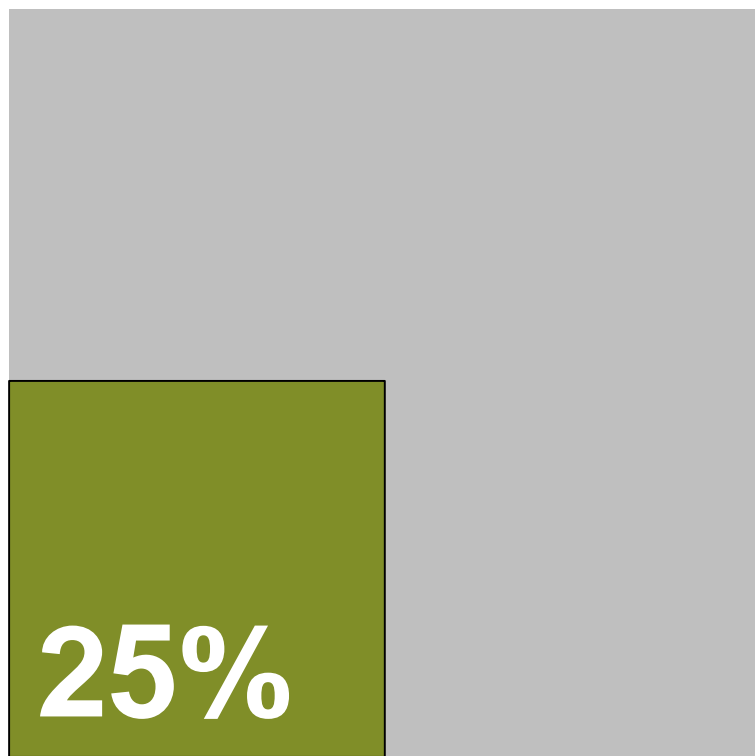
**Percentage of those paying for medical insurance in each demographic group\***



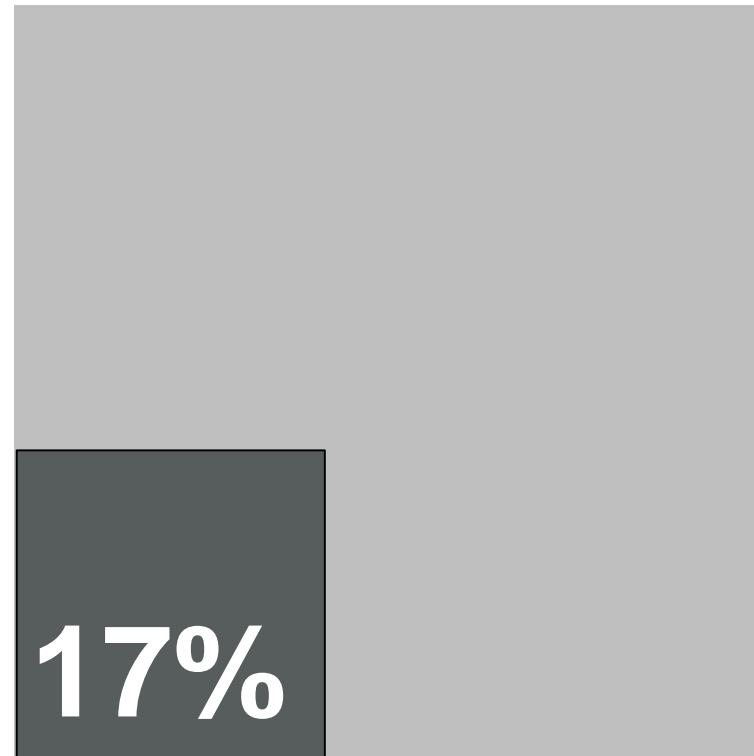
\* Although 85% of Rwandan adults have insurance, only 71% report paying for insurance premiums as insurance is offered for free by the government to the poorest segments of the population.

Rwanda has the highest rate of active mobile money account holders in the region who pay bills through mobile money

**Percentage of active mobile money account holders in Rwanda using bill pay.**



**Average percentage of active mobile-money account holders bill using pay in Kenya, Uganda and Tanzania.**



Note: Bill pay category includes paying formal bills for buying commercial and government services, including utility bills, rent, payments of fees/fines/taxes.

The Rwandan government can drive the uptake and usage of financial services, especially amongst underserved populations, if they move towards the digitization of payments (G2P) and collections (P2G), especially for payment streams like **insurance**.

0.5%

Percentage of Rwandans who use a bank or mobile money account to pay for insurance

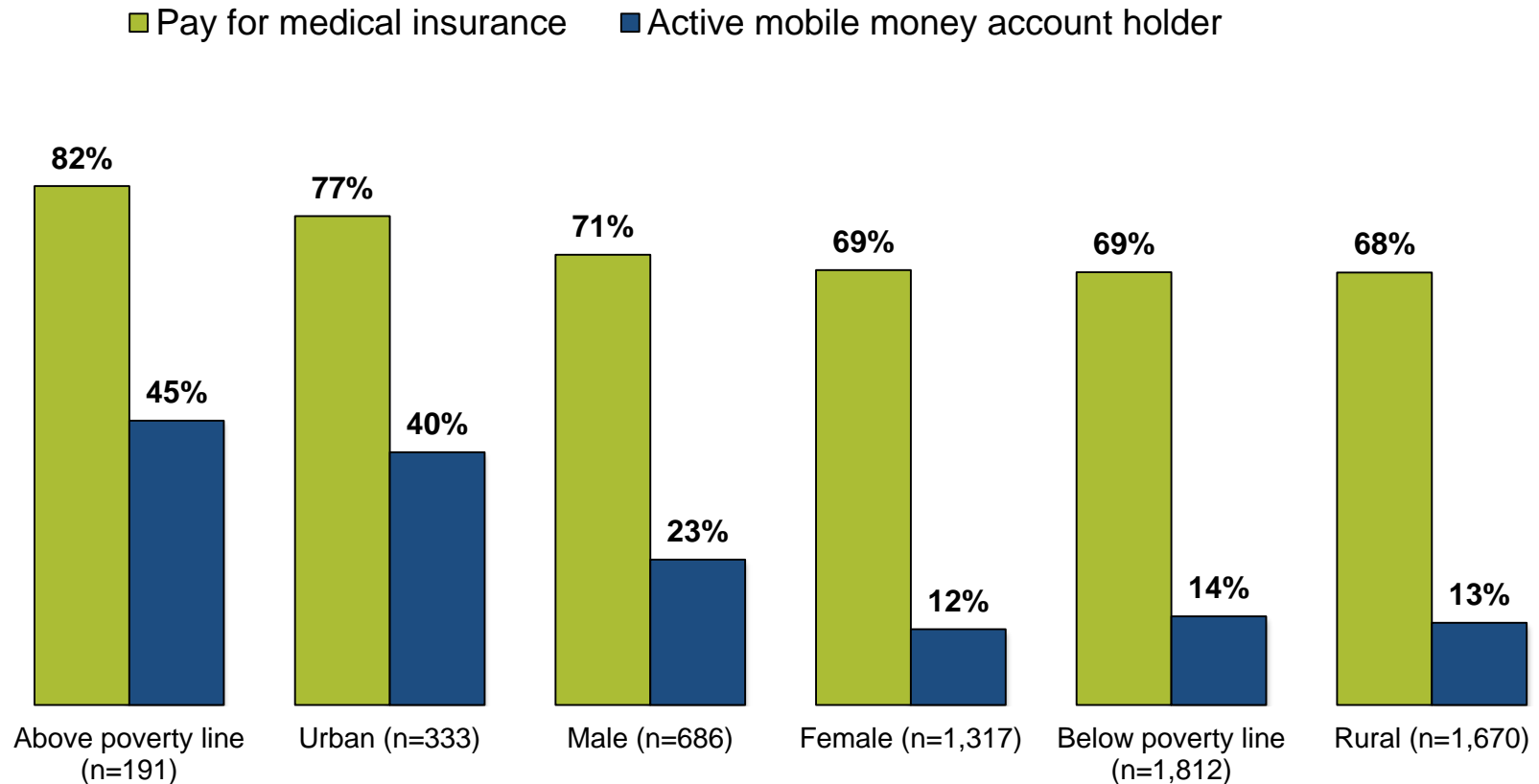
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71%

Percentage of Rwandans who pay for some type of insurance

Digitizing insurance could be a powerful way to get digital financial services to the hardest-to-reach segments: below the poverty line, rural and female residents.

**Percentage of those paying for medical insurance compared with those who actively use their mobile money accounts in each demographic group**



DFS can only grow if mobile money services are accessible to the population. Creative schemes to increase access, either through handset loans or formalized over-the-counter (OTC) product offerings, should be considered.

### **Handset loans**

Targeted measures to increase handset penetration, especially amongst women, rural and lower income segments, are key to drive financial inclusion and uptake of financial services. Providers should consider introducing loans that allow for incremental and small-value payments over a longer period of time. Such payments would suit the cash flows of poor Rwandans, and if made through mobile money, could drive wallet uptake and usage.

### **Offering agent-assisted (OTC) transactions for those without phones**

OTC has been key to driving the uptake and usage of mobile money in other markets such as Uganda, Bangladesh and Pakistan. Given that just under half of adults in Rwanda own mobile phones, providers can consider an OTC offering that allows customers without handsets to access mobile money and other DFS solutions. Once there is some traction and handset penetration rises, providers can encourage the transition to wallets. Although OTC can be used as an entry point to financial services, many benefits of financial inclusion will only be realized when customers start using their own wallets. However, some customer segments (such as the illiterate, infrequent users and the elderly) might never make the transition to wallets and OTC might prove to be a long-term use case for these particular segments.



Increasing agent penetration, especially to rural areas, is also critical to the growth of digital financial services.

### **Umurenge SACCOs**

Providers can form partnerships with Umurenge SACCOs to increase the penetration of agents, especially to rural areas. The SACCOs can also support liquidity management and provide agents a point to rebalance their cash float.

### **Understanding the supply side**

More research needs to be done to better understand the reach and robustness of the agent network. The analysis should reveal business model viability for agents, the quality of provider support, core challenges that should be addressed (i.e., liquidity), and provide a snapshot of core operations figures (i.e., daily transactions across urban and rural). The research could potentially be funded by donors focusing on digital finance in Rwanda, and the results could be used by providers to strengthen and extend their agent networks.

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This deck includes all findings from the FII survey in Rwanda. Stakeholder-specific presentations with highlights and recommendations have been created for DFS providers, regulators and development partners. These are available on request from CGAP.

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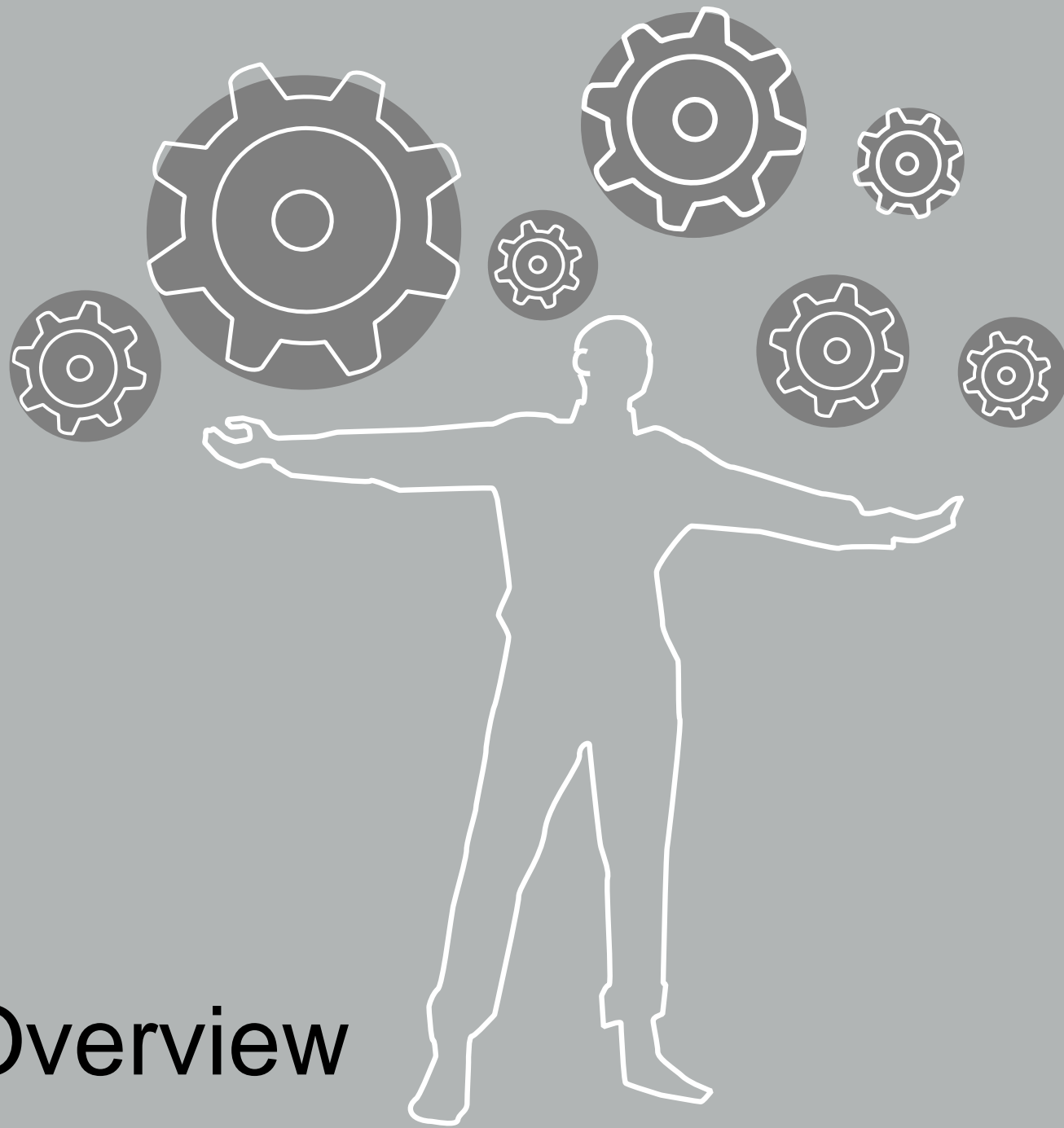
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# Market Overview

# Financial market overview

The Rwandan government has created a conducive environment for growth in multiple sectors, set ambitious targets to become a middle-income country by 2020 (Vision 2020), and sees the development of the financial sector as key to meeting their targets

## Financial Regulations

- The National Bank of Rwanda (BNR) has created a sound legal framework for the growth of digital financial services.
- BNR has created a comprehensive portfolio of laws, regulations and guidelines.
- Under the Payments System Law (2010), BNR can oversee both bank and nonbank financial institutions.
- The BNR also released regulation requiring all payment providers (banks and MNO schemes) to be interoperable by June 2013. While this goal has not been achieved as of 2015, the government is making fast strides towards finalizing the technical aspects of interoperability.
- Policy for interoperability (2014) details the way forward for interoperability in Rwanda.

## Mobile Money Providers

- There are three main mobile money services in Rwanda—MTN Mobile Money, Tigo Cash and Airtel Money.
- MTN was first to market in 2010, followed by Tigo in 2011 and Airtel in 2013.

## Other Digital Solutions

- mVisa: A digital wallet that rides on the Visa network.
- RSwitch: National e-payments switch acquired by Milicom in 2014.
- VisaNet: A global settlement platform that facilitates digital transactions.

# Mobile money sector deep dive

## Mobile money services offered

The three service providers offer a basic suite of services:

- Depositing and withdrawing money
- Paying utility bills
- Buying goods and services
- Push/pull from bank to mobile money
- ATM integration with banks
- Buying airtime and data bundles

## New developments by service provider

### MTN Mobile Money

- MTN Rwanda and MTN Uganda integrated mobile money services (2014).
- Life insurance cover for MTN mobile money subscribers (2014).
- MTN launches mobile money school fees service (2015).

### Tigo Cash

- Pioneered cross-border mobile money remittances between Rwanda and Tanzania (2014).
- Introduced savings product Tigo Sugira (2015).

### Airtel Money

- Airtel Money launches cross-border money transfer throughout East Africa (Nov. 2014).
- Micro-loans for Airtel Money customers (April 2015).

# Banking sector snapshot

## **Banks**

Rwanda has 17 banks licensed by the National Bank of Rwanda:

- 11 commercial banks
- 4 micro-finance banks
- 1 development bank
- 1 cooperative bank

With Rwanda now part of the EAC, major banks in the region (KCB, Equity) have joined the market creating key linkages and partnerships for DFS growth across the East African borders.

## **Key DFS linkages/partnerships**

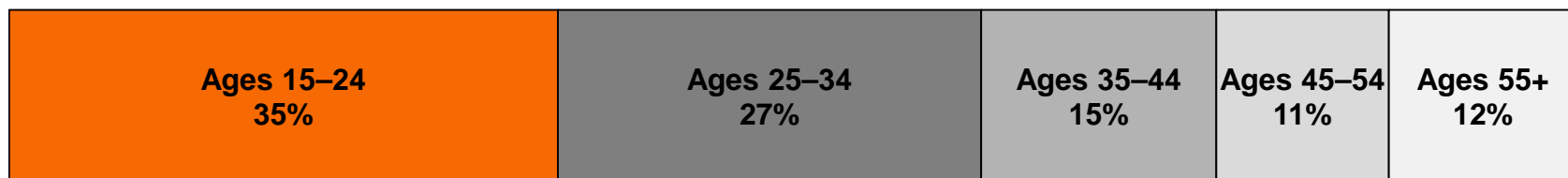
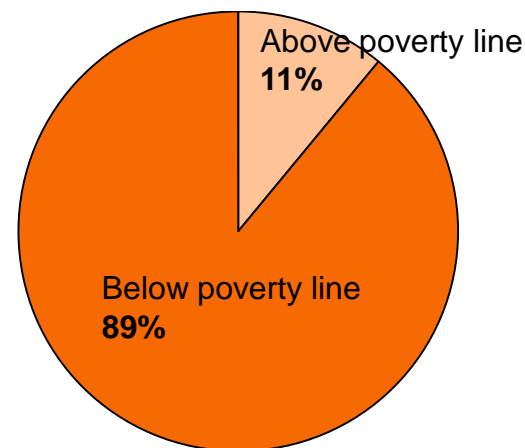
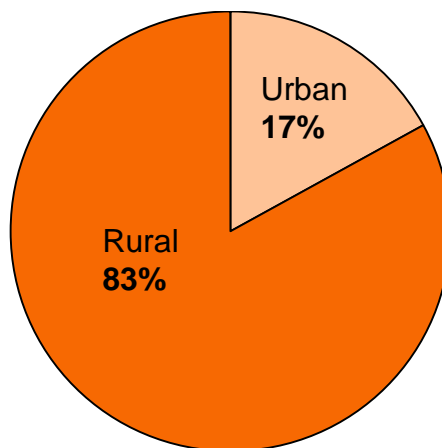
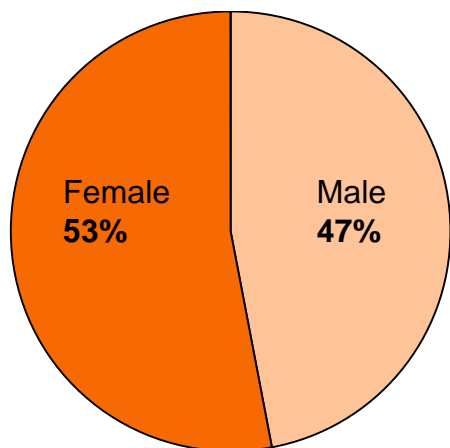
Competition in the DFS market has seen almost all banks in Rwanda integrate their mobile banking operations with the telecoms mobile money platforms.

- MTN has mobile money partnerships with Unguka bank, KCB, I&M bank, Access bank, Uregwo Opportunity bank and GT bank for their mobile money customers to withdraw and deposit money from their mobile money wallets using the banks' ATMs without using their bank cards and transfer money from their mobile money accounts to bank accounts
- Tigo Cash and Airtel Money have partnerships with KCB to enable customers of both institutions to send money seamlessly between any Tigo Cash wallet and KCB bank account.

# Consumer Profiles and Mobile Phone Use



Two-thirds of the adult population is younger than 35; the majority is also rural and lives below the poverty line



The poverty measure utilizes the Grameen Foundation's Progress Out Of Poverty Index. The details of the methodology can be found here: <http://progressoutofpoverty.org/country/Rwanda>.

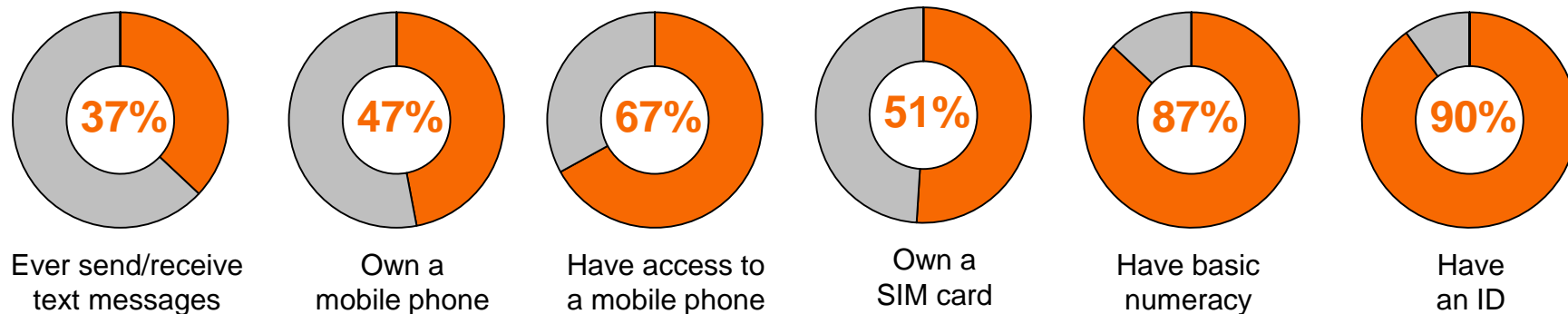
Figures are weighted to reflect national census data demographics.



Most lack the equipment (less than half own a phone), and technical skills to use DFS effectively

## Key indicators of preparedness for digital financial services

(Shown: Percentage of all adults, N=2,003)

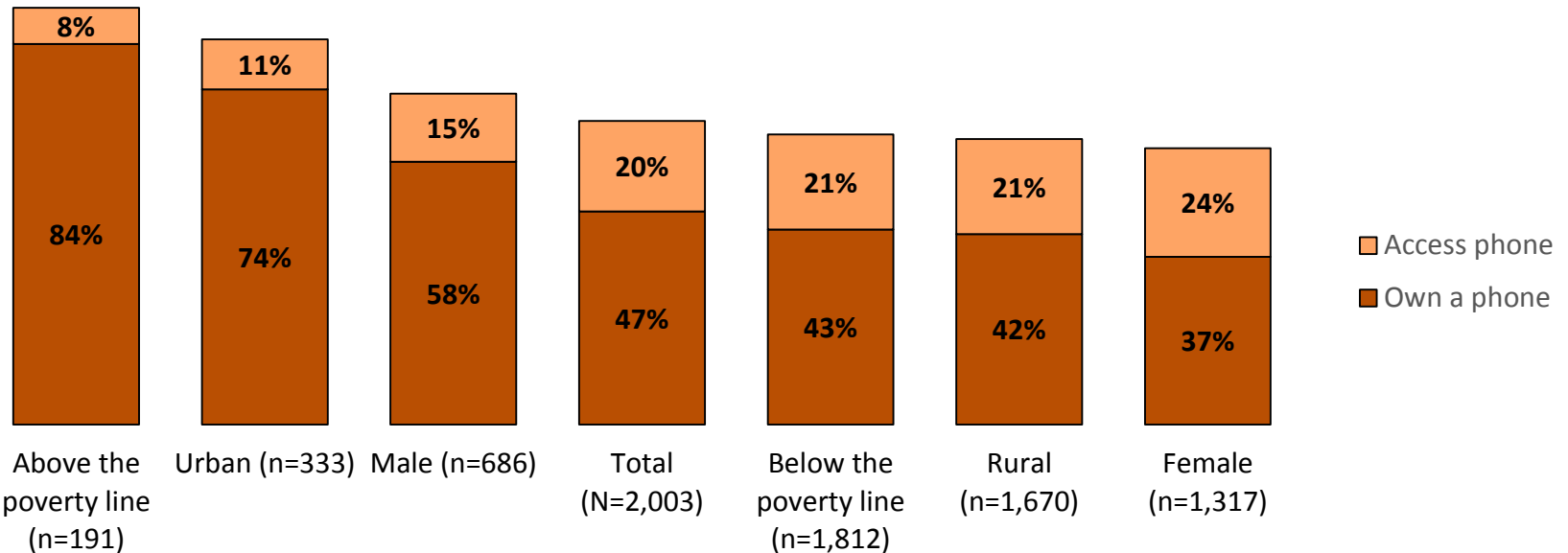


Indicators	Ghana (n=3,002)	Kenya (n=2,995)	Tanzania (n=3,000)	Uganda (n=3,001)	Rwanda (n=2,003)
Percentage who own a mobile phone	91%	74%	72%	58%	<b>47%</b>
Percentage who have ever sent/received a text message	74%	69%	61%	49%	<b>37%</b>

Females, rural residents and those living below the poverty line have the lowest rates of mobile phone ownership and access

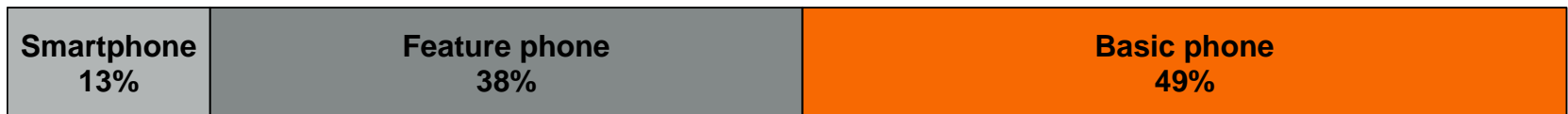
### Mobile phone ownership and access by demographic group

(Shown: Percentage of each demographic group who owns and can access a mobile phone)



### Ownership of different types of phones

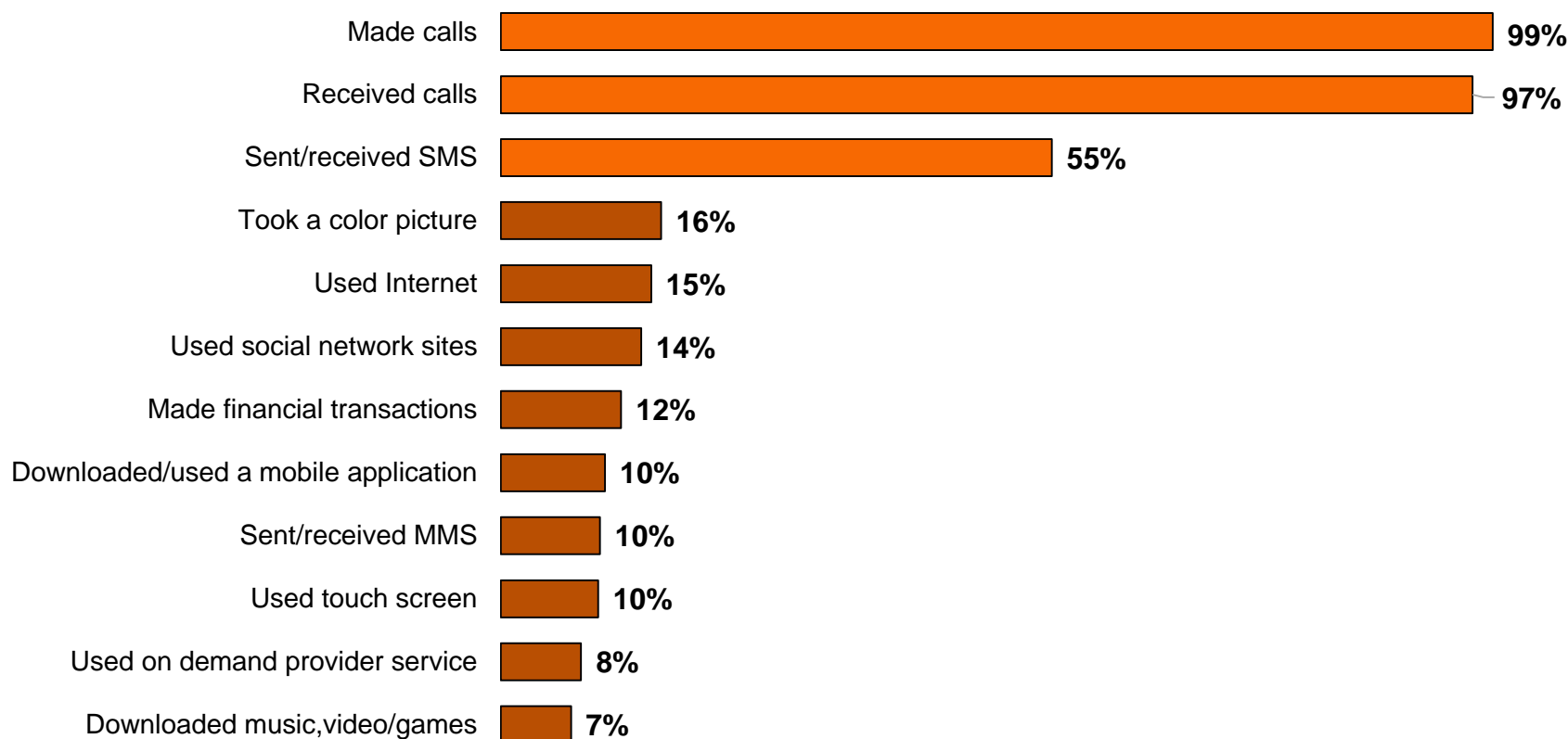
(Shown: Percentage of mobile phone owners, n=863)



About a third of those with access to mobile phones use them for activities beyond calls and text messaging

### Mobile phone uses among those with access to a phone

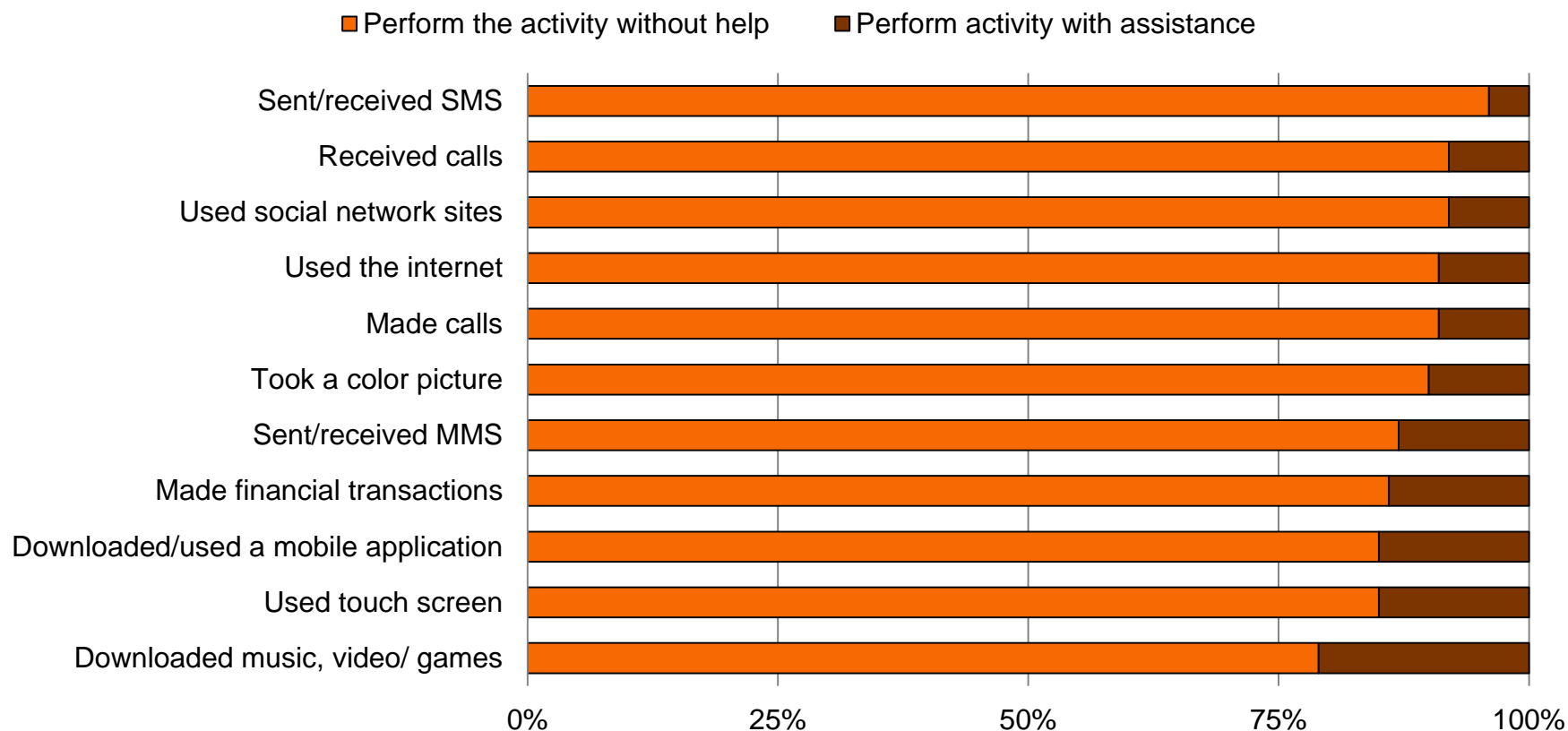
(Shown: Percentage of those with access to mobile phones, n=1,277)



# Most Rwandans with access to mobile phones know how to operate them without assistance

## Mobile phone uses with and without assistance

(Shown: Percentage of those who ever performed a specific activity)

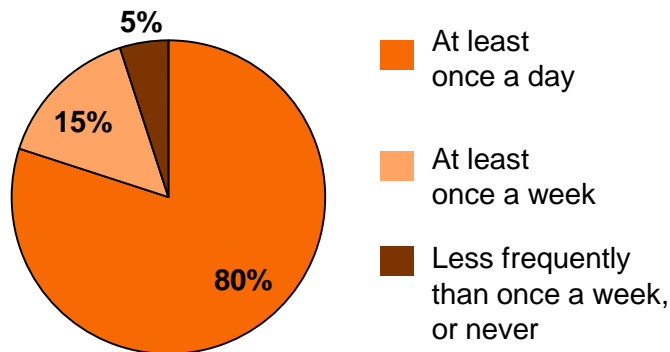


# Those who borrow a phone use it less frequently and almost exclusively for making and receiving calls

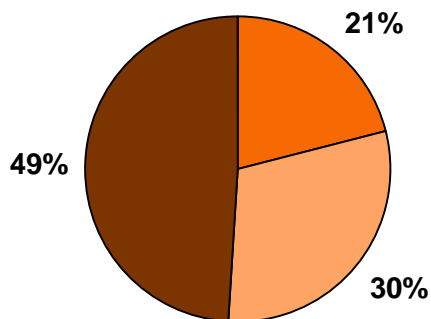
## Frequency of mobile phone use, by mobile phone ownership

(Shown: Percentage of all adults in each segment)

Have a phone (n=863)



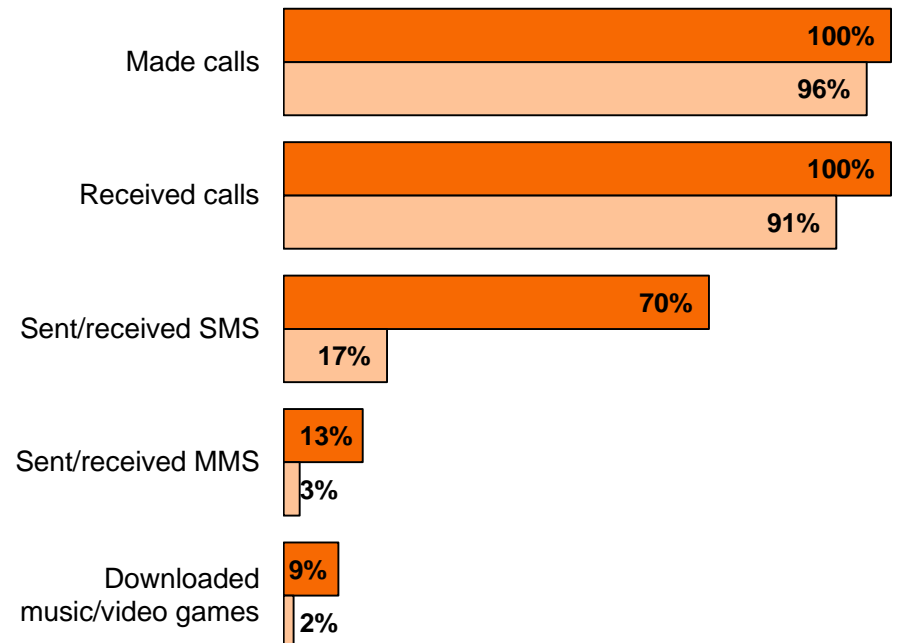
Borrow a phone (n=414)



## Mobile phone uses, by mobile phone ownership

(Shown: Percentage of adults in each segment)

■ Have a phone (n=863) ■ Borrow a phone (n=414)

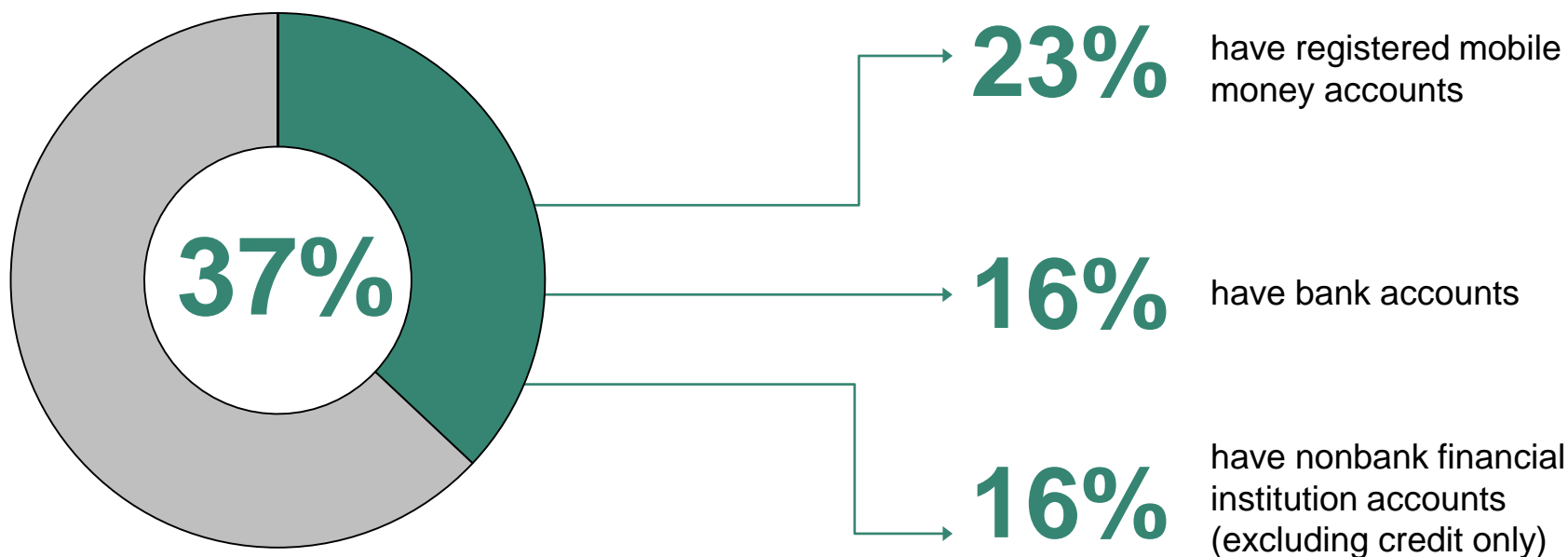


# Uptake and Usage of Digital Financial Services



37% of Rwandans have financial accounts registered in their name,  
and mobile money is driving registration

**Percentage of adult Rwandans who have registered accounts with banks, mobile money,  
nonbank financial institutions or a combination of those\***



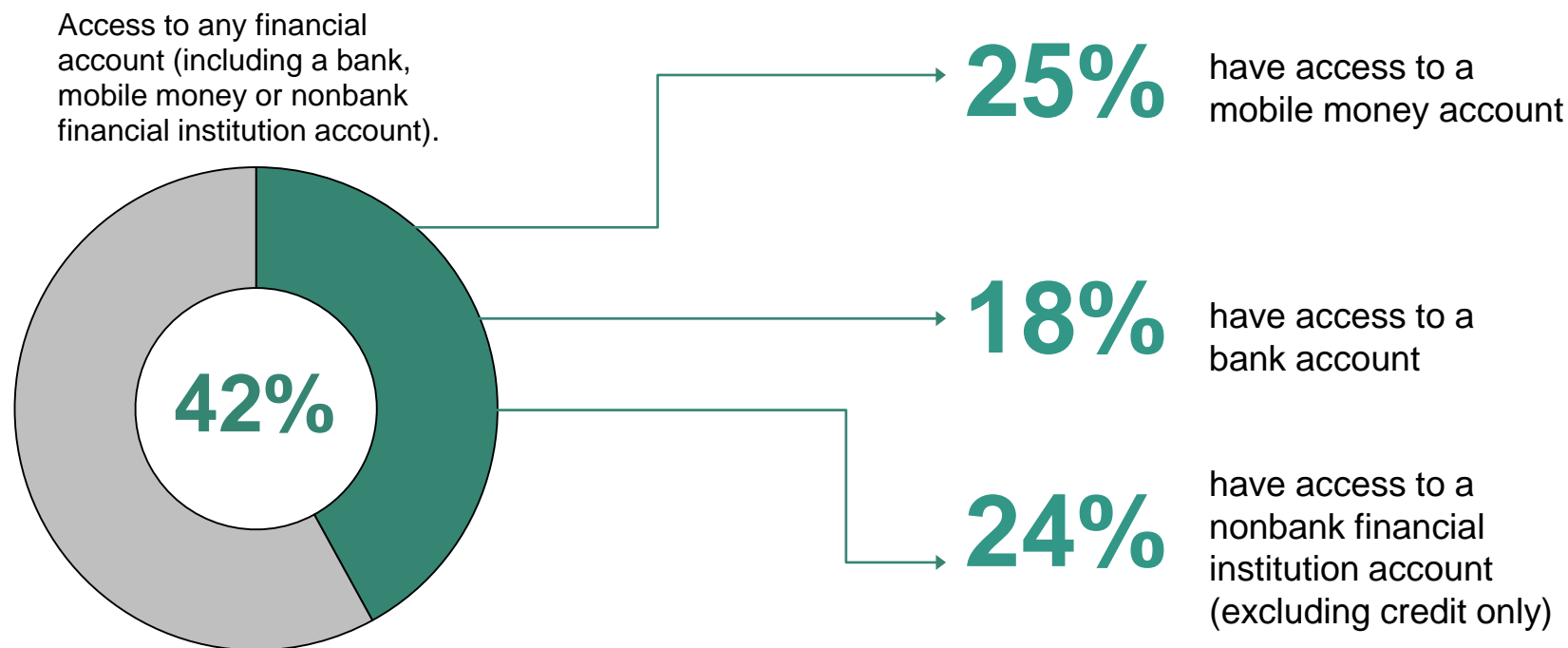
\*Overlap representing those who have multiple kinds of financial accounts is not shown.

\*Nonbank financial institutions (NBFIs) include MFIs, Umurenge SACCOs and non-Umurenge SACCOs that offer at least one financial product aside from credit.

Many Rwandans have access to an account, either a bank, mobile money or nonbank financial institution account

### Bank, mobile money and NBFi account access and use\*

(Shown: Percentage of Rwandans adults who fall into each category, N=2,003)



\*Access to any financial account means a respondent can use bank/mobile money/NBFi services either via their own account or via an account of another person. An account holder is a user who has an account registered in their name.

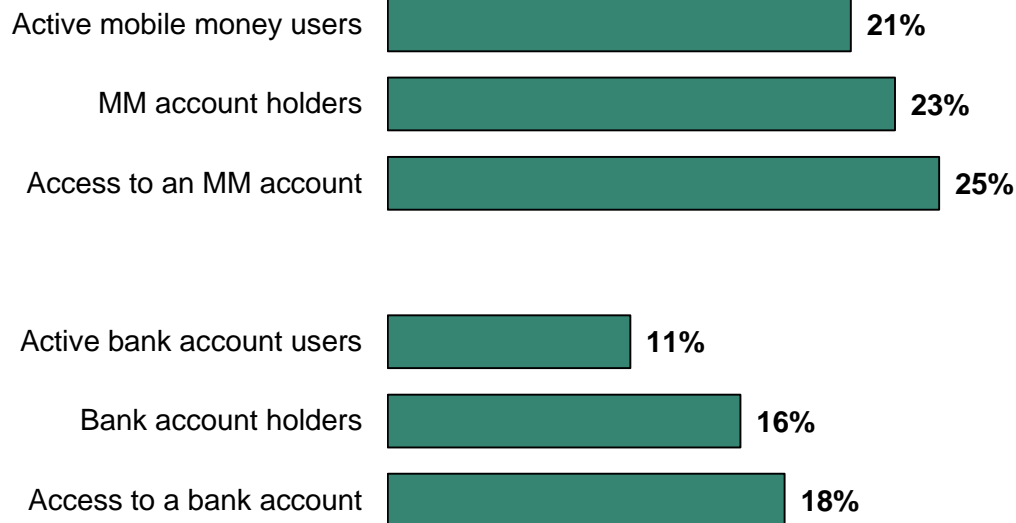
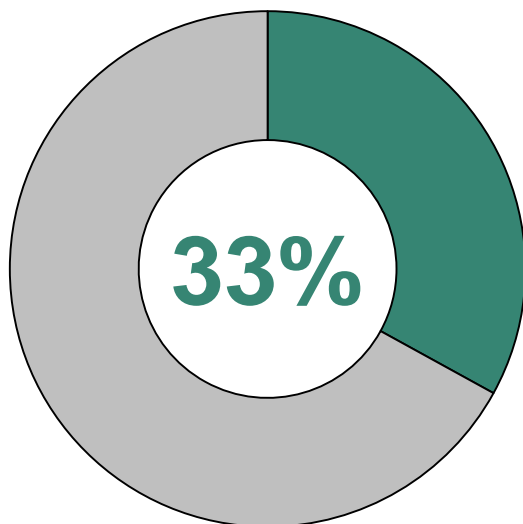


# Active usage is higher amongst mobile money users than bank users

## Bank and mobile money (MM) account access and use

(Shown: Percentage of Rwandan adults who fall into each category, N=2,003)

Access to a bank account or MM account or both



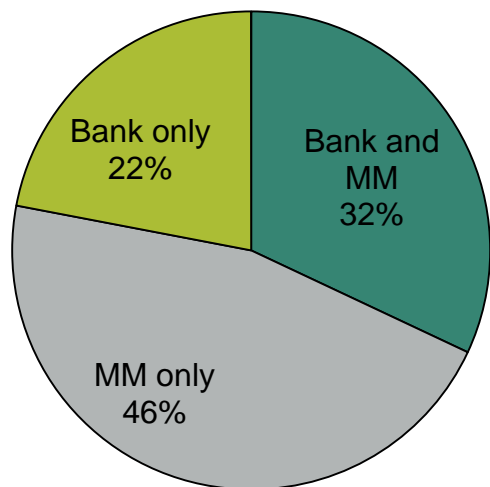
\*Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person; An account holder is a user who has an account registered in their name.

# Among financial service users, about a third use mobile money and banking services

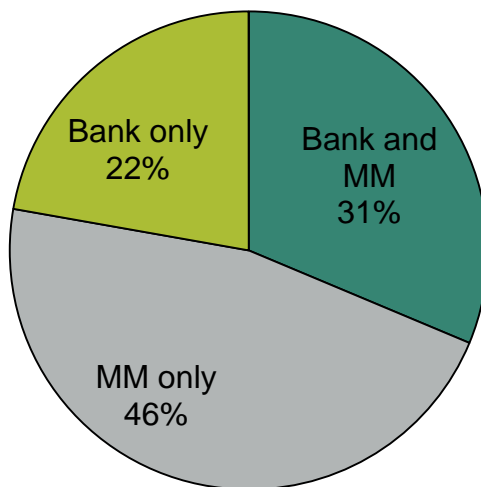
## Bank and mobile money (MM) service access and use

(Shown: Percentage of each subgroup)

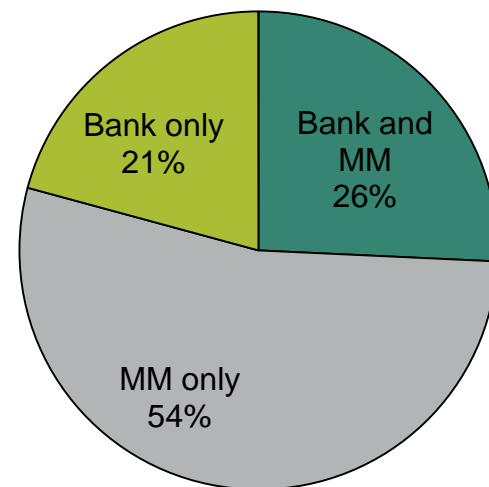
Adults with **access** to a bank or mobile money (n=610)



Adults with a **registered** bank or mobile money account (n=555)

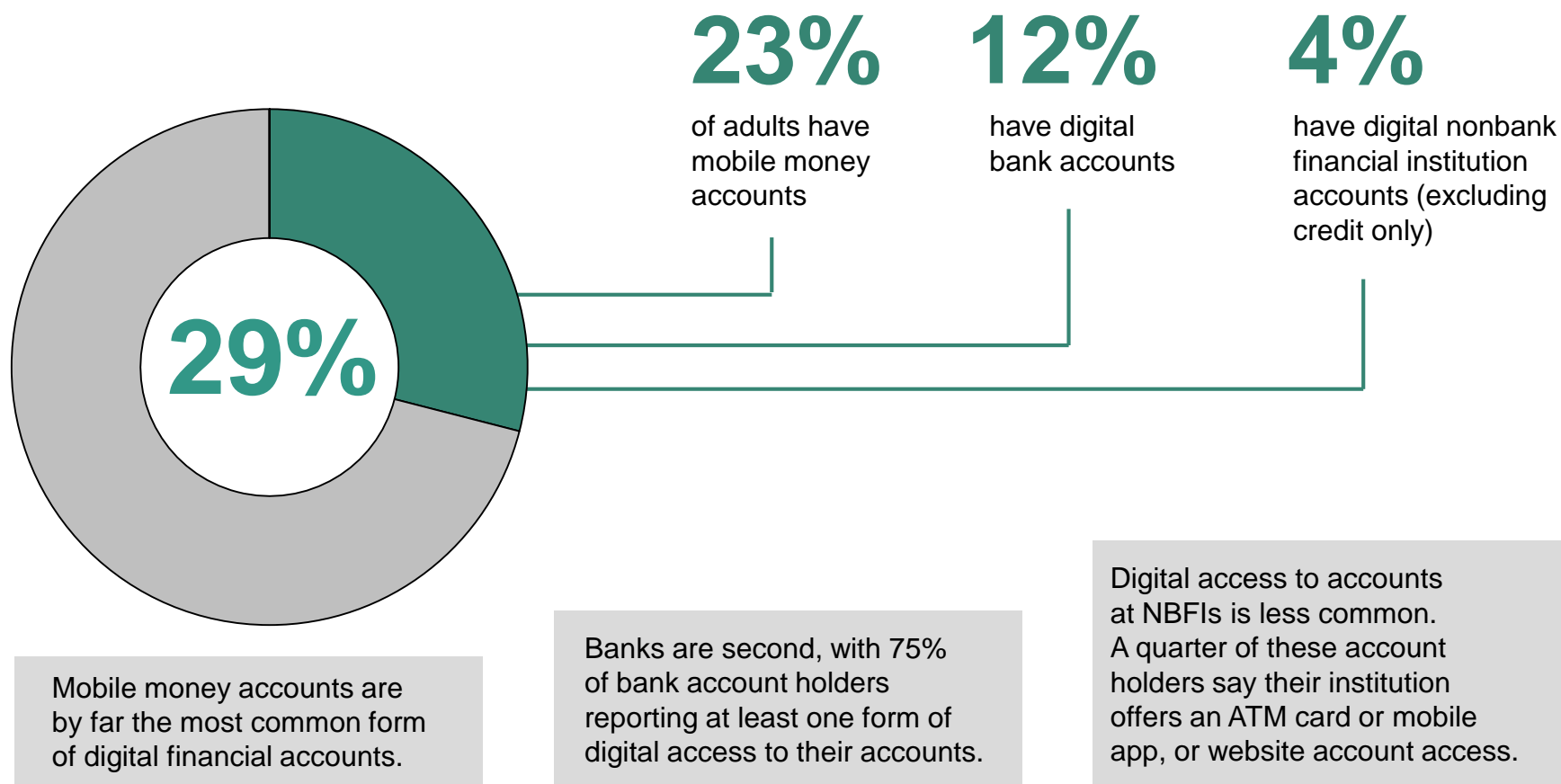


Adults who are **active** bank or mobile-money account holders (n=410)



Almost a third of Rwandans are accessing their accounts digitally, mostly via mobile money

**Percentage of adults who have digital financial accounts, combined**

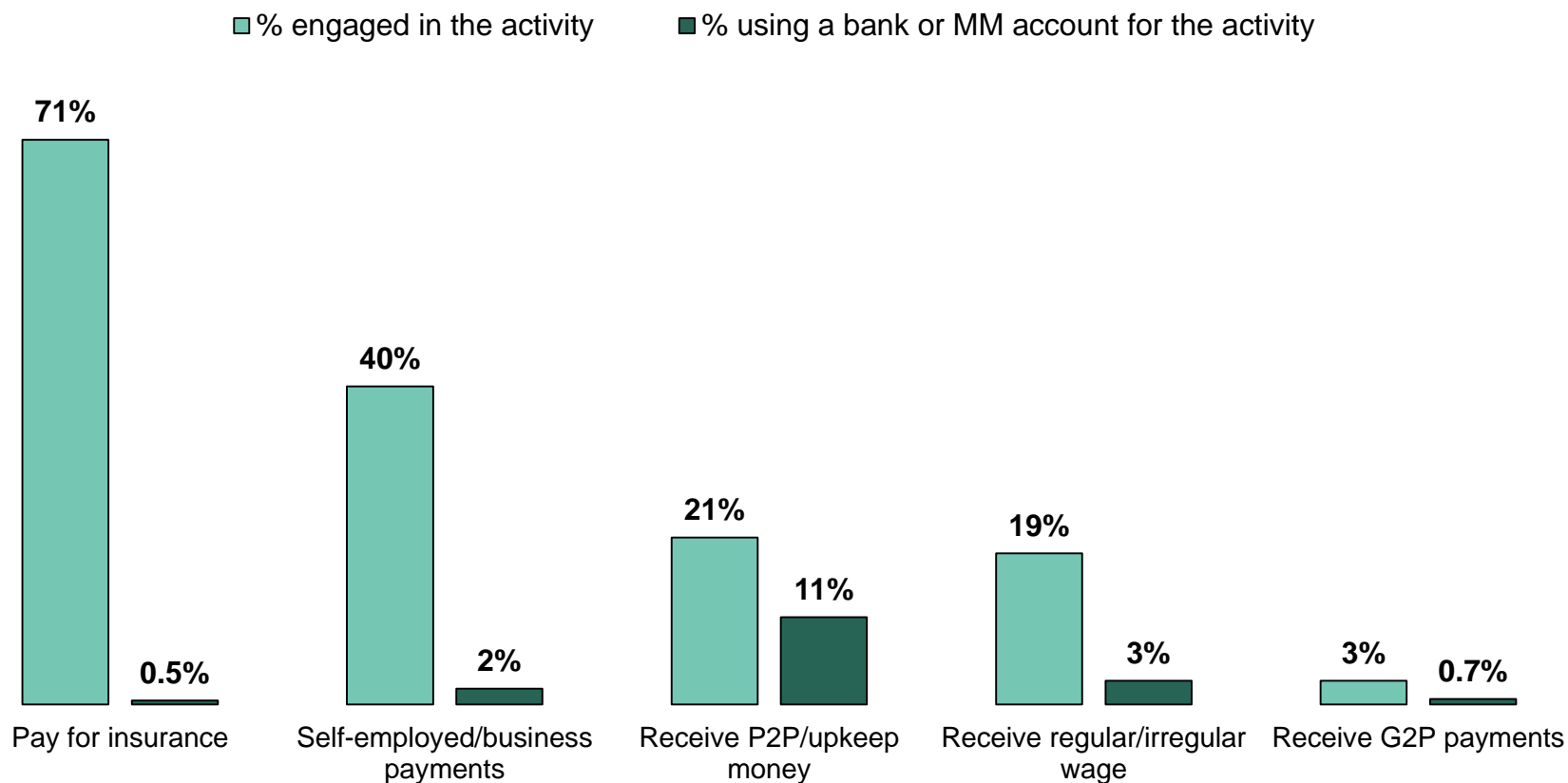


\*Overlap representing those who have multiple kinds of financial accounts is not shown.

A significant opportunity exists for the digitization of cash flows in Rwanda, especially for insurance payments

## Rwandan adults' financial activities, and the role of bank and mobile money accounts in these activities

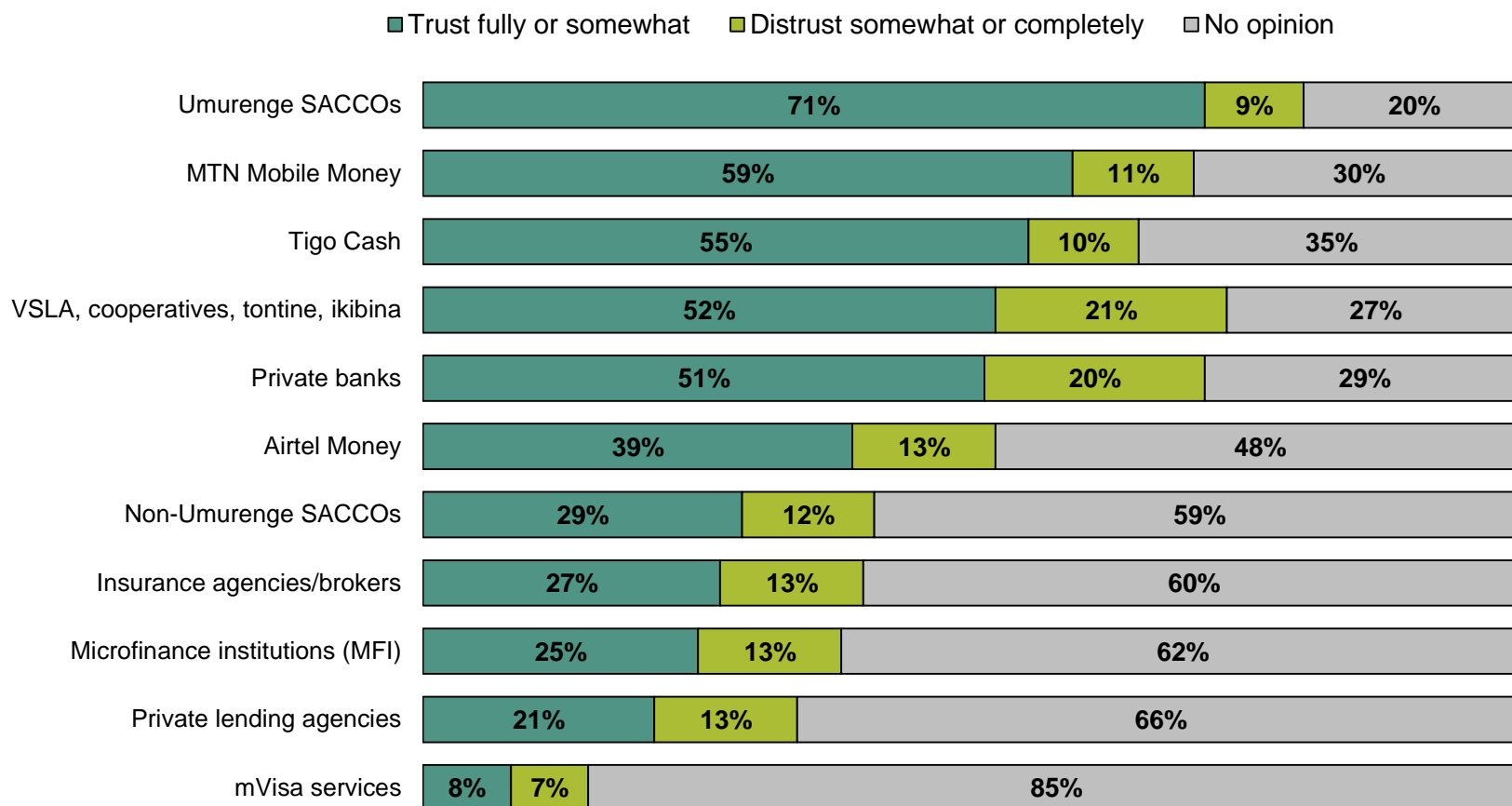
(Shown: Percentage of all adults, N=2,003)



# Trust levels seem to be healthy for providers of mobile money and banking services

## Do you trust the following financial institutions?

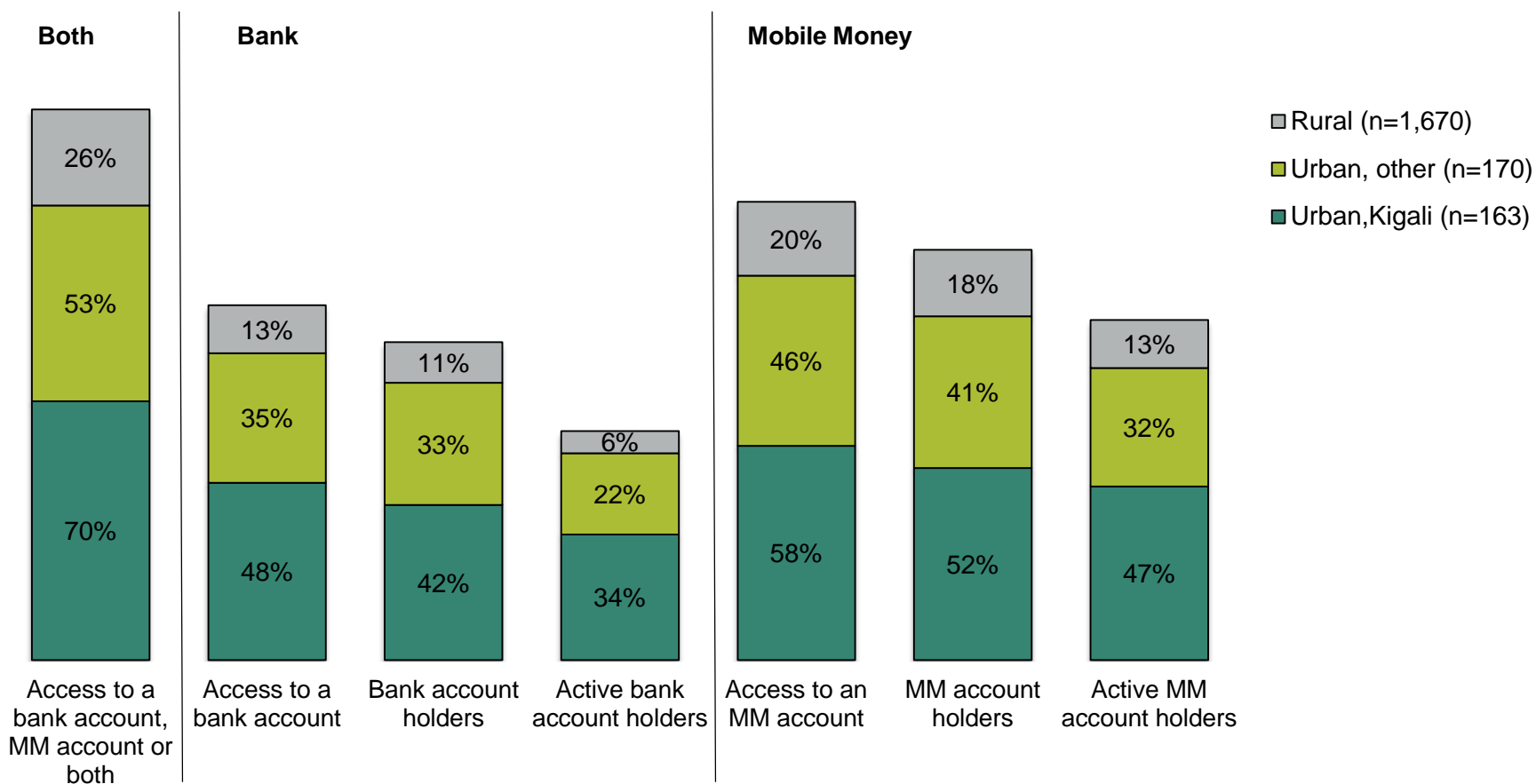
(Shown: Percentage of adults, N=2,003)



There is a gap in financial service access and use between Kigali and other parts of the country with rural users being most underserved

### Bank and mobile money (MM) access and use

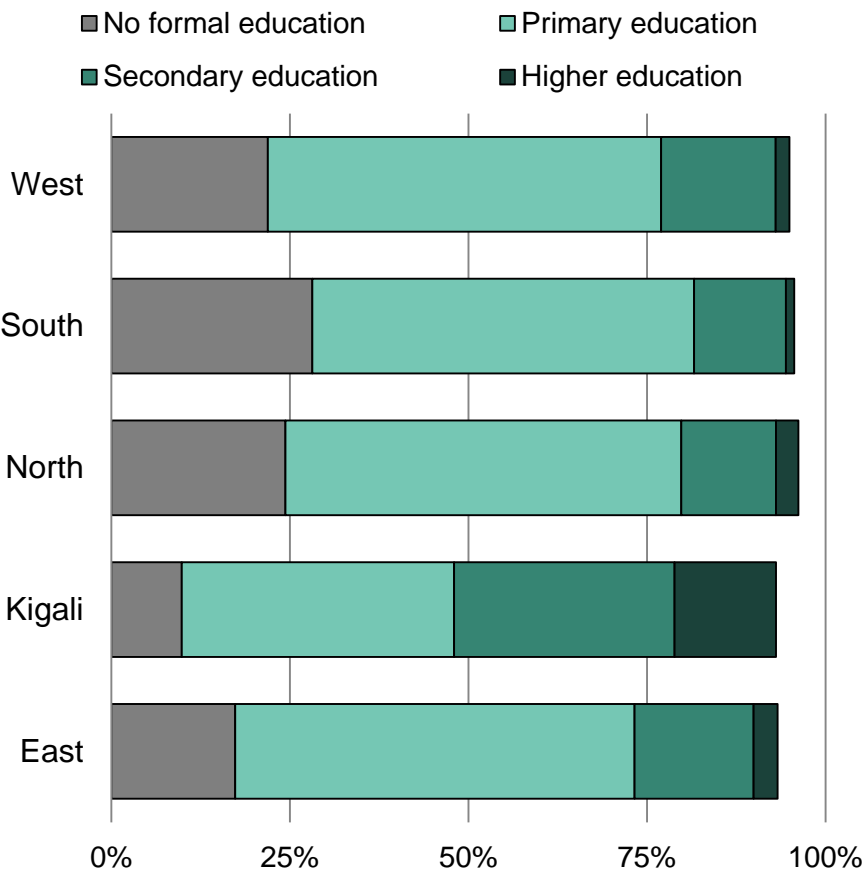
(Shown: Percentage of Rwandan adults who fall into each subgroup)



Kigali residents are better educated, have higher incomes, and higher rates of phone and SIM ownership, which likely explains higher rates of bank and mobile money uptake and usage

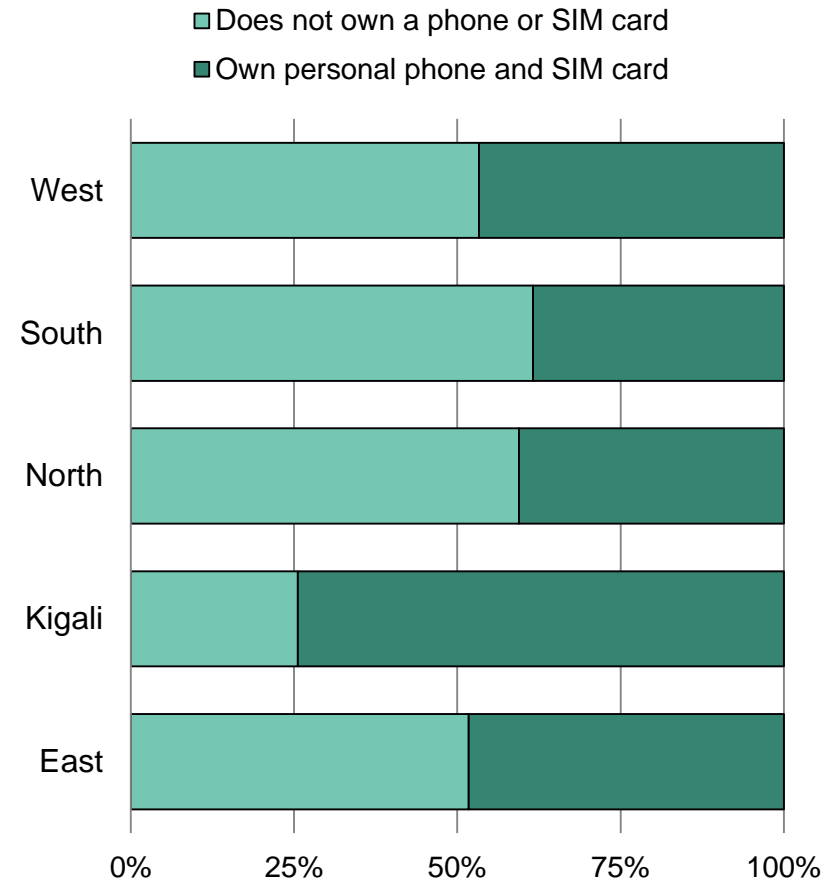
**Kigali’s respondents are well educated...**

(Shown: Percentage of each demographic group shown)



**...and they have high rates of phone and SIM ownership**

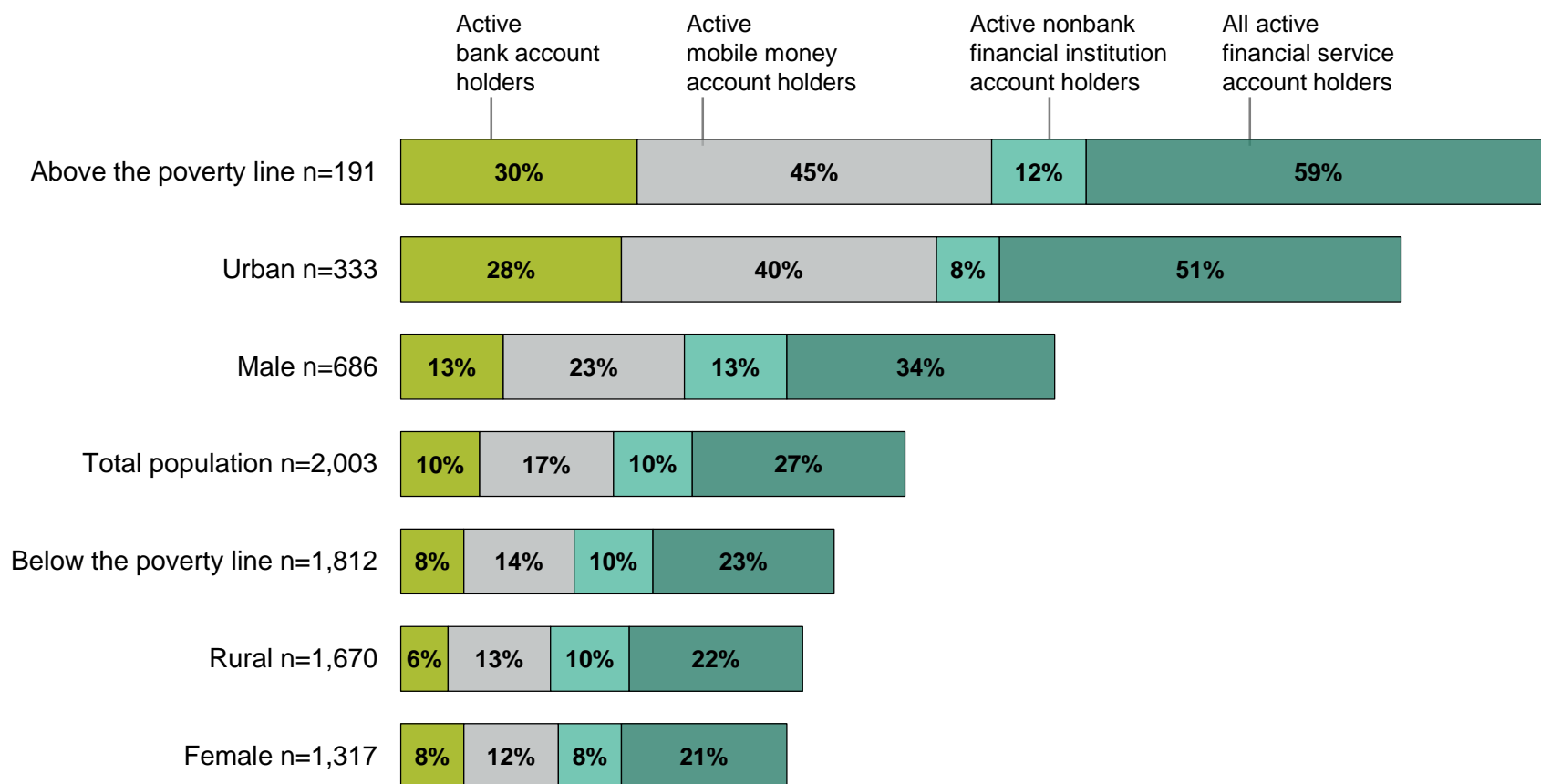
(Shown: Percentage of each demographic group shown)



# Rwandans living above the poverty line, urban residents and males are most likely to actively use mobile money services

## Financial inclusion measures by key demographic groups

(Shown: Percentage of each subgroup)



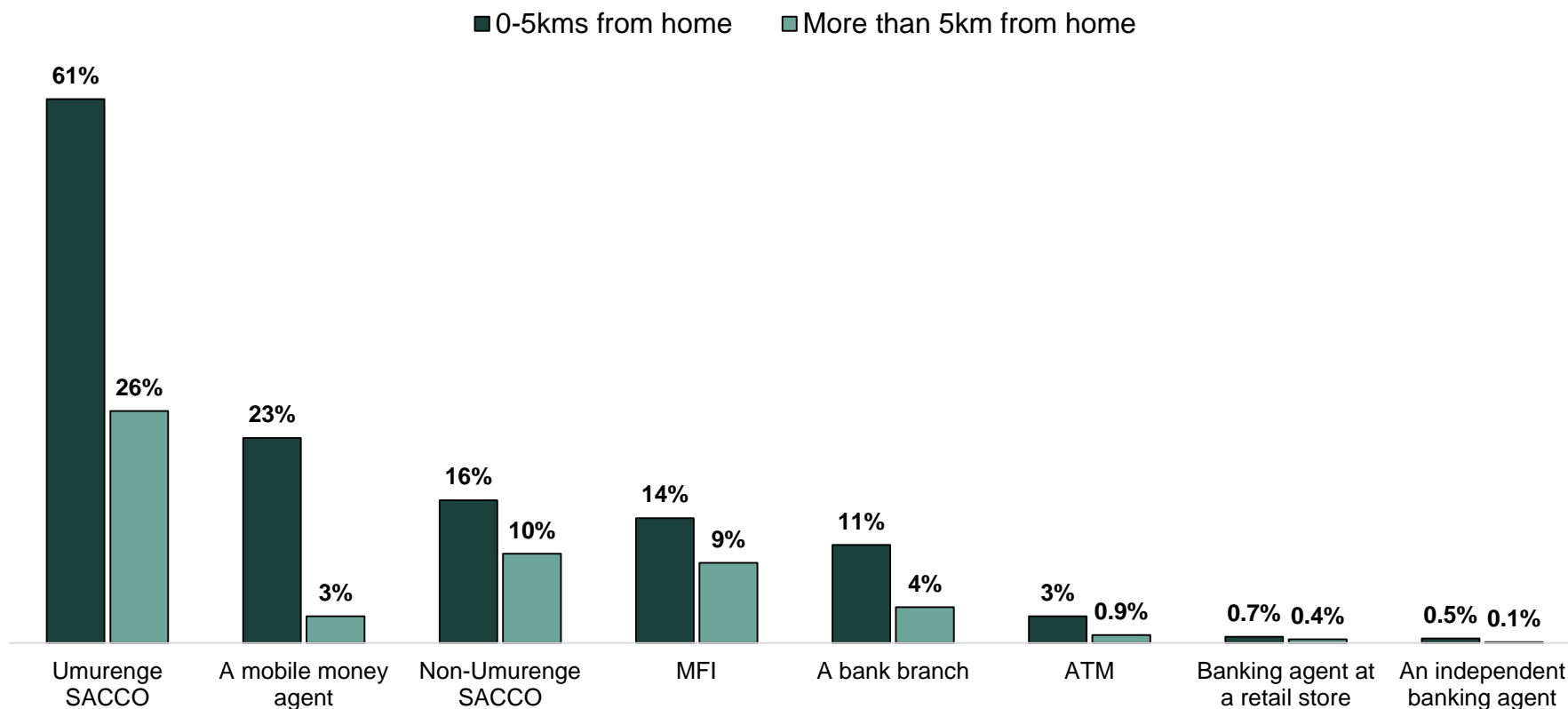
Note: Account categories are not mutually exclusive.



# Physical access to financial services is high; Umurenge SACCOs and mobile money agents are the most prevalent points of access

## Perceived proximity to points-of-service for different financial institutions\*

(Shown: Percentage of all adults, N=2,003)

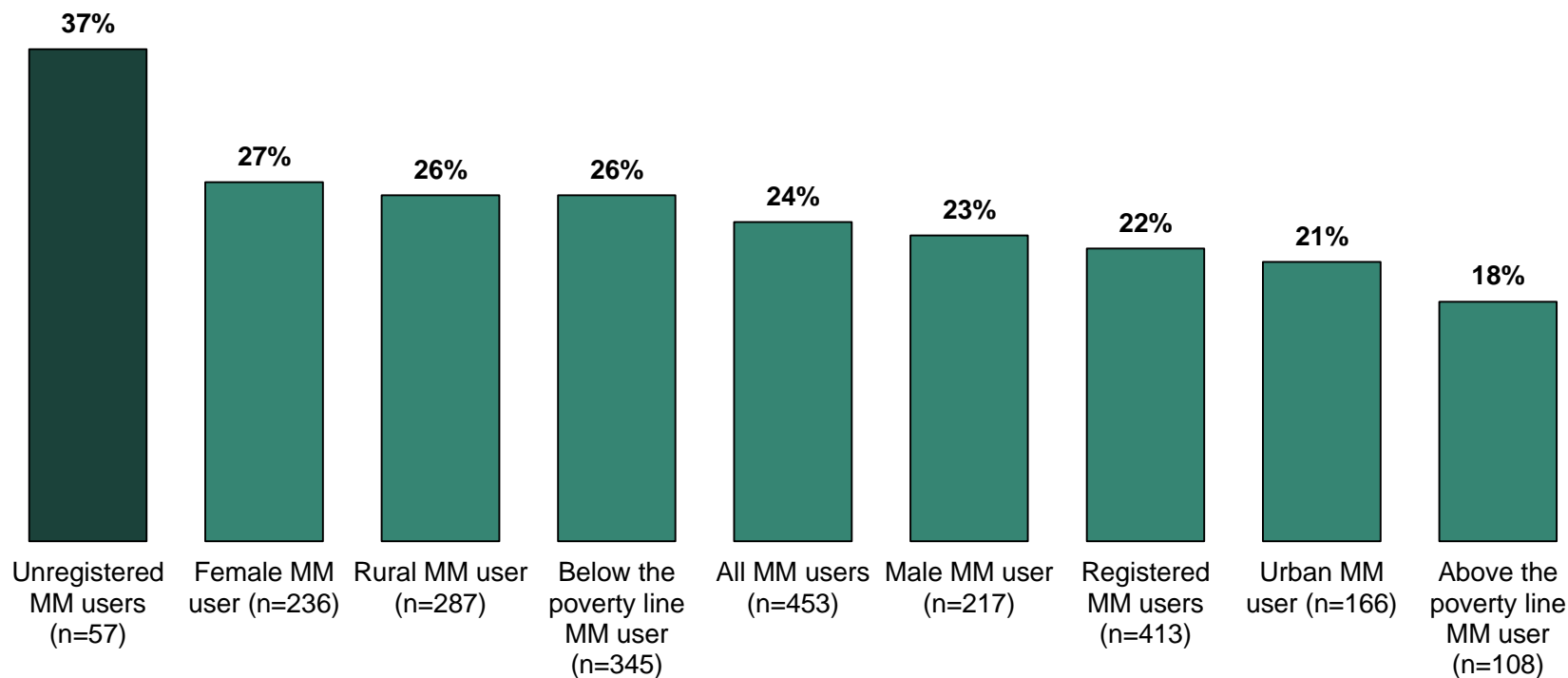


\*The questions were asked of users of the respective financial institutions. Actual proximity may be more or less than perceived proximity. Categories are not mutually exclusive.

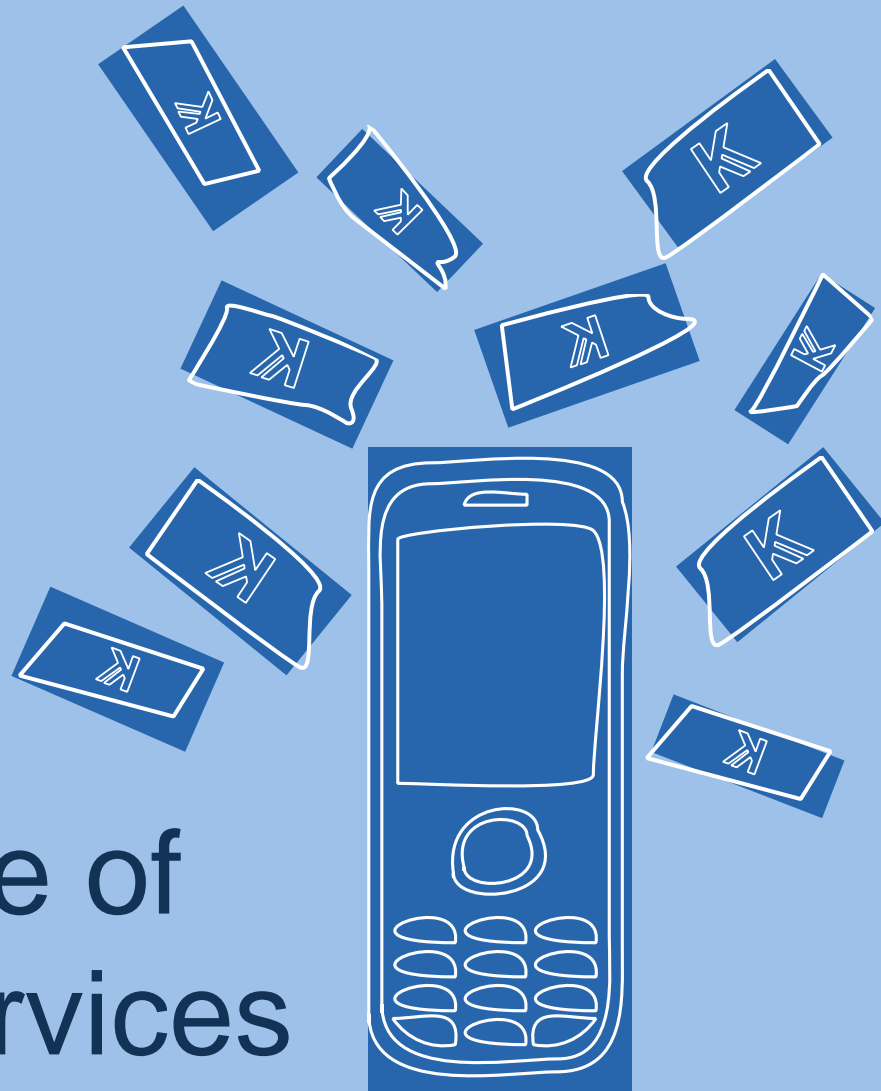
When it comes to accessing mobile money, unregistered users are more likely to use the same access point as those who are registered

### Users who have regular mobile money (MM) agents

(Shown: Percentage of each category of MM users)



# Uptake and Usage of Mobile Money Services

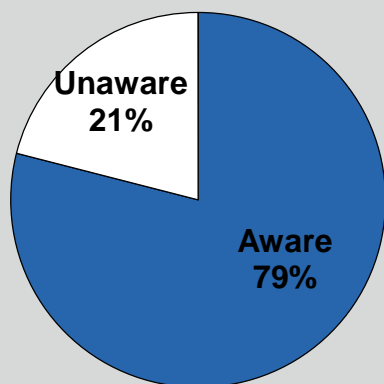


# Awareness is high for both the concept of mobile money and major brands

## Concept awareness

(Recognize concept of MM)

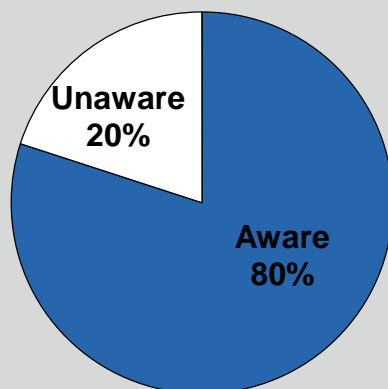
(Shown: Percentage of all adults, N=2,003)



## Brand awareness

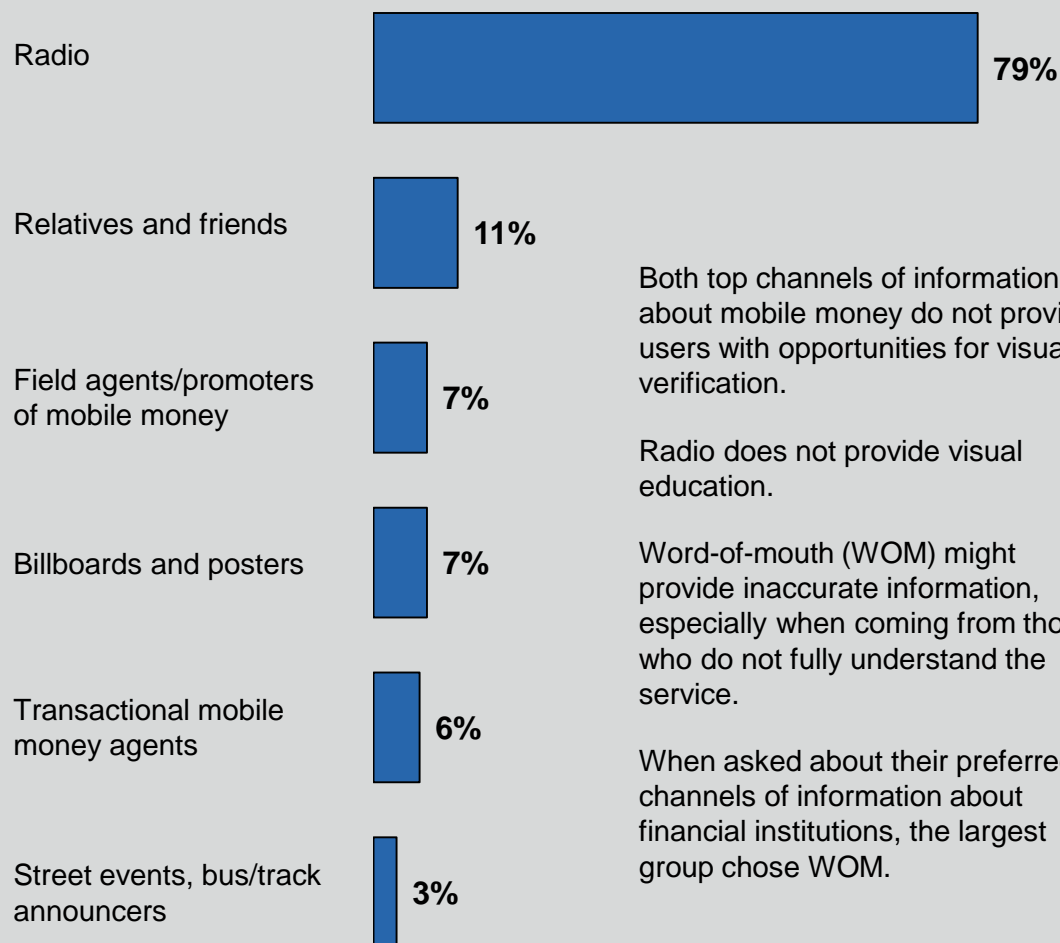
(Recognize at least one MM provider)

(Shown: Percentage of all adults, N=2,003)



## Where did you first learn about mobile money?

(Shown: Percentage of active mobile money account holders, n=317)



Both top channels of information about mobile money do not provide users with opportunities for visual verification.

Radio does not provide visual education.

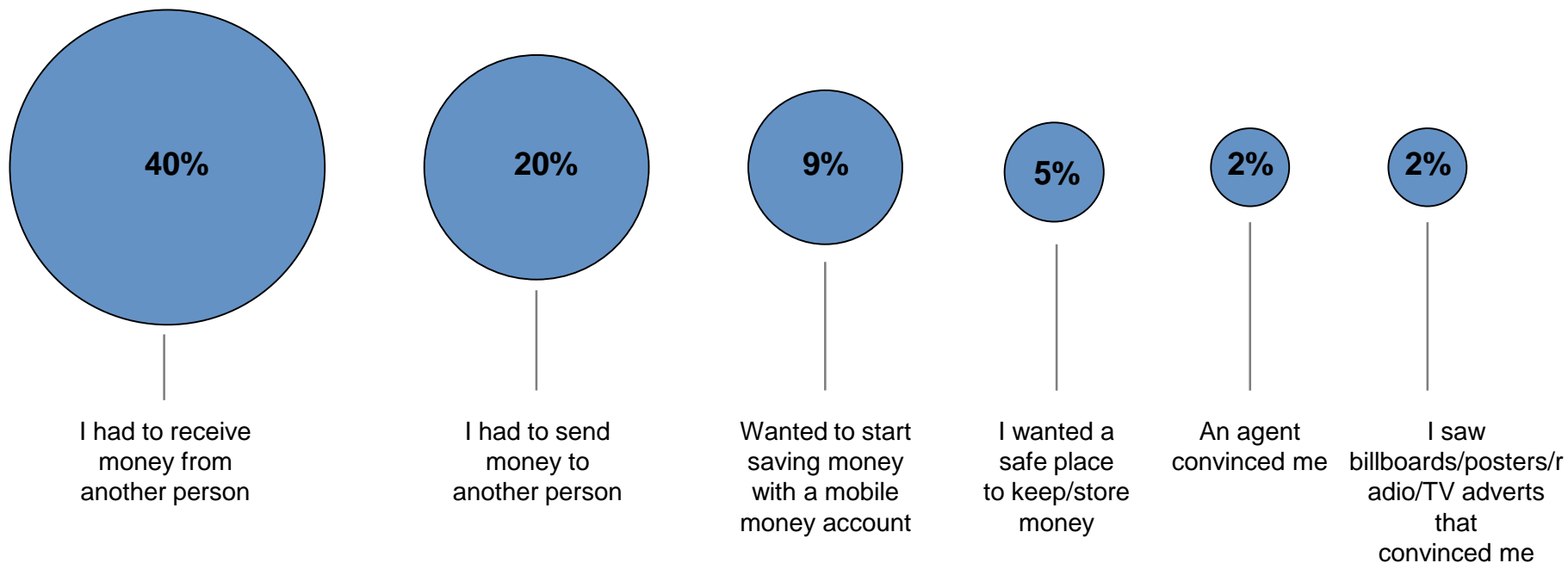
Word-of-mouth (WOM) might provide inaccurate information, especially when coming from those who do not fully understand the service.

When asked about their preferred channels of information about financial institutions, the largest group chose WOM.

Most customers adopt mobile money for P2P transfers, but some also adopt to save

### Top reasons for starting to use a mobile money account

(Shown: Percentage of active account holders, n=317)

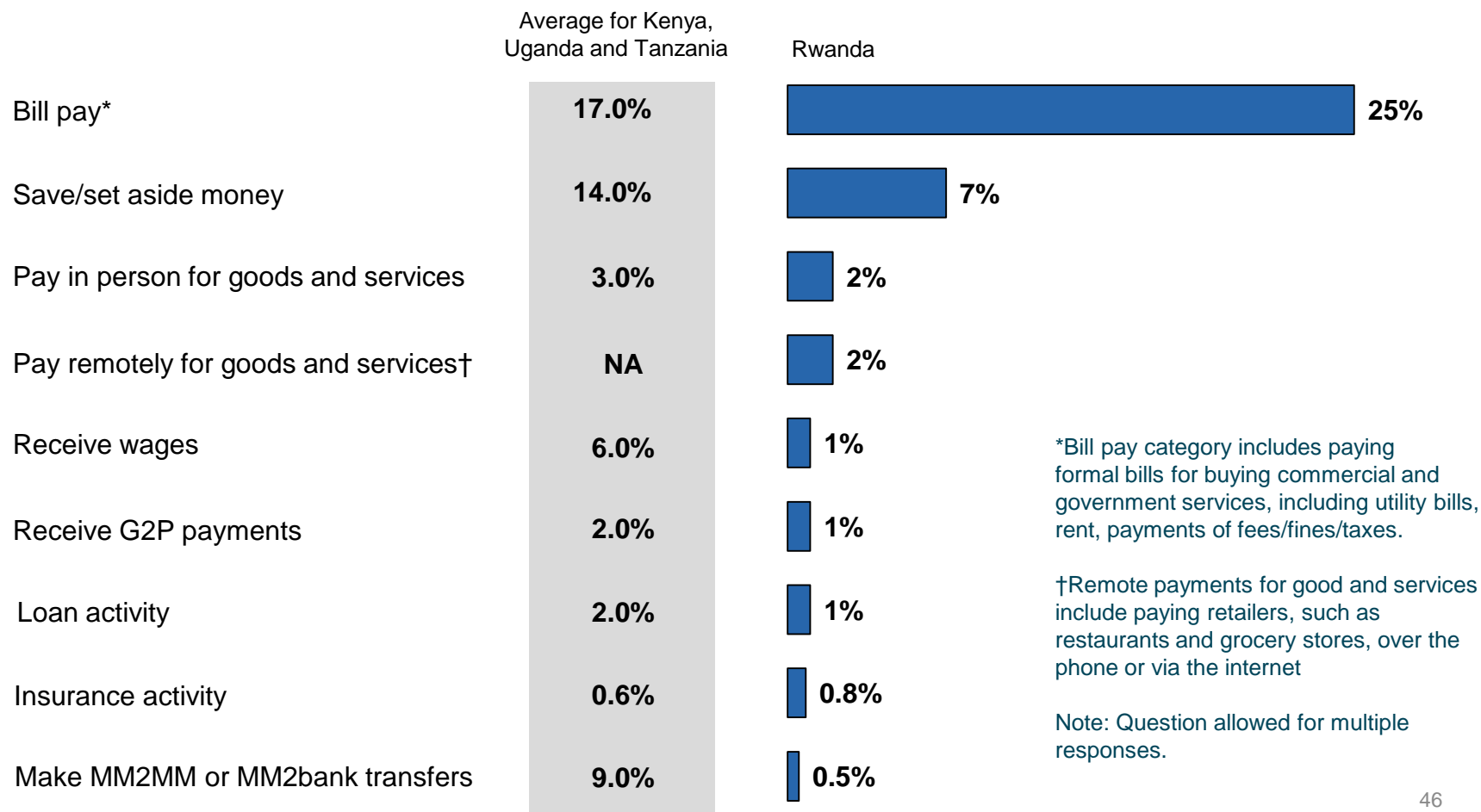


Question allowed for multiple responses.

Rwanda has the highest rate of bill pay in the region, with a quarter of active account holders using this feature

## Advanced mobile money (MM) account uses

(Shown: Percentage of active mobile money account holders, n=317)

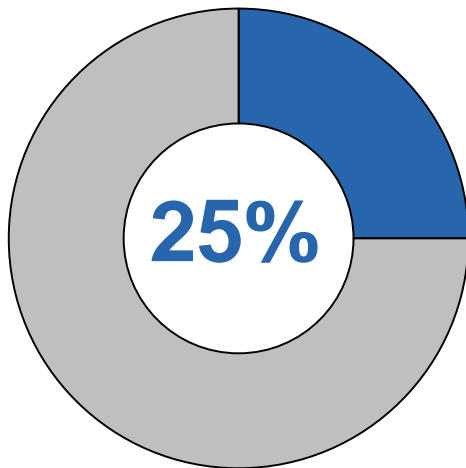


# Most bill pay customers use this feature to pay for electricity

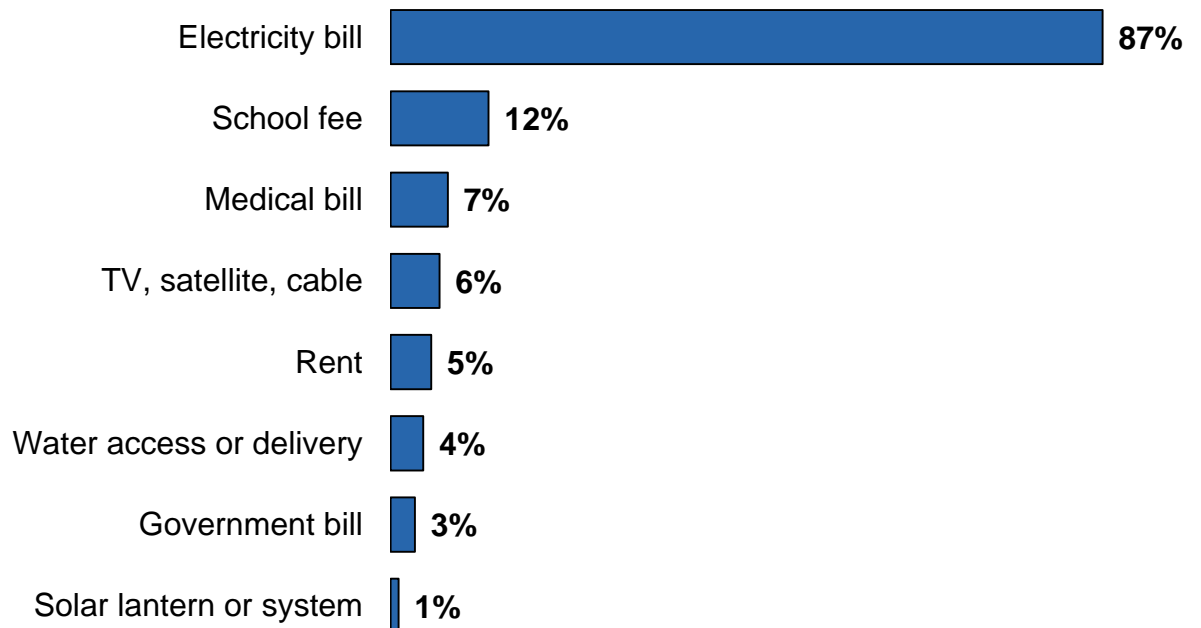
## Bill pay activity on mobile money (MM) accounts

(Shown: Percentage of active MM account holders who use accounts to make payments, n=77)

Percentage of active MM account holders (n=317) who use their accounts for paying bills



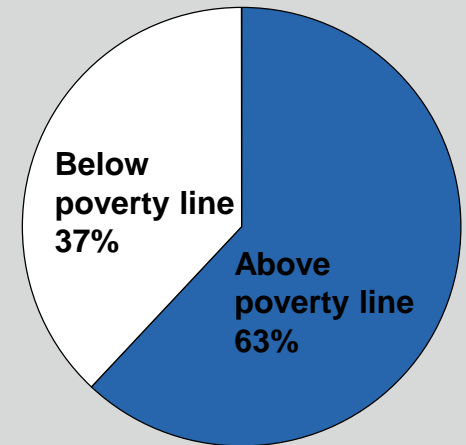
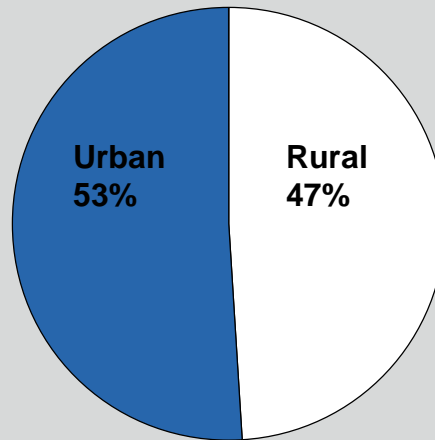
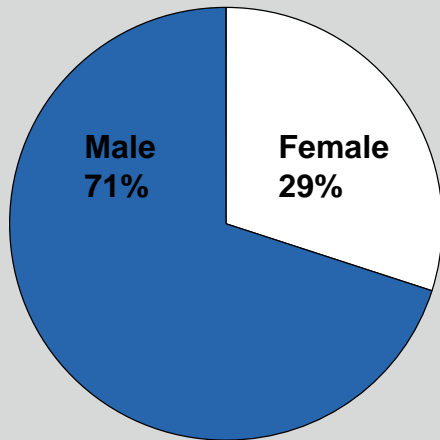
Those paying bills with MM accounts, by type of bill



Males and those above the poverty line are most likely to use mobile money to pay their bills

### Demographics of active mobile money (MM) account holders who use their accounts to pay bills

(Shown: Percentage of active MM account holders who use accounts to make payments, n=77)



**53%** have a registered bank account

**42%** are active bank account holders

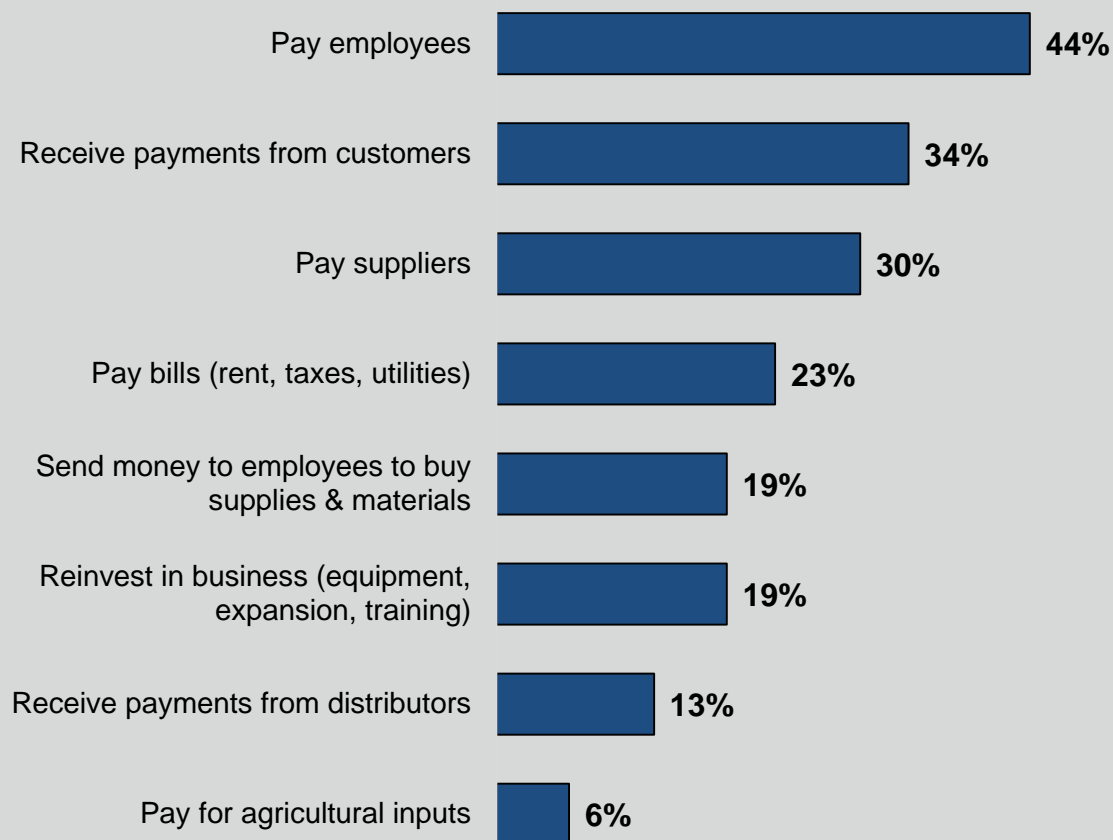
**16%** are active bank account holders and use bank accounts to pay bills



# Payroll is the most common business transaction done via mobile money

## Business-related transactions on mobile money (MM) accounts

(Shown: Percentage of active MM account holders who use accounts to make business payments, n=35\*)



**Of all active mobile money account holders, 10% use their accounts for business-related transactions.**

**On average, businesses use their mobile money account for 1-2 types of transactions.**

\*The analysis on this slide is done on a small sample (n<50) and should be treated with caution.

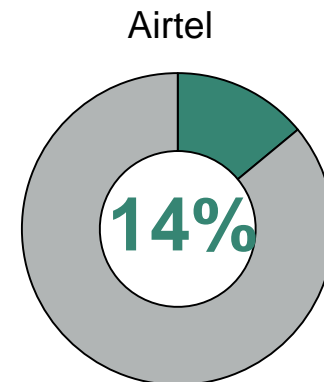
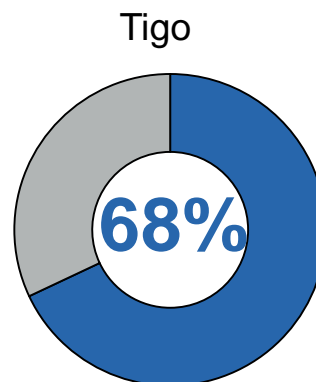
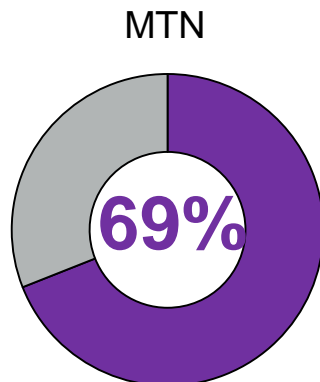


# Competition and Provider-Specific Insights

There is healthy competition in the market; Tigo and MTN are neck and neck in terms of market share

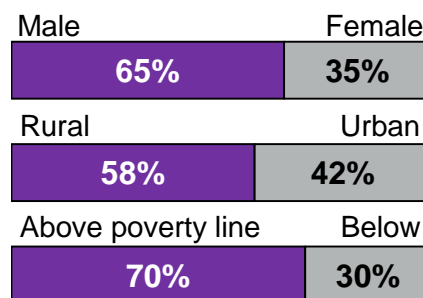
### Active mobile money provider account holdings

(Shown: Percentage of active mobile money account holders, n=317)

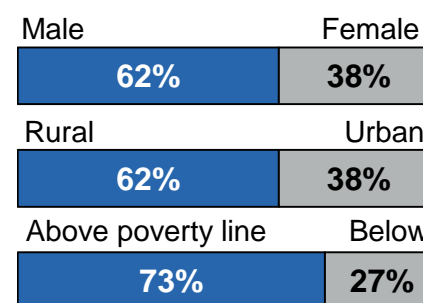


### Demographics

#### MTN Mobile Money (n=197)



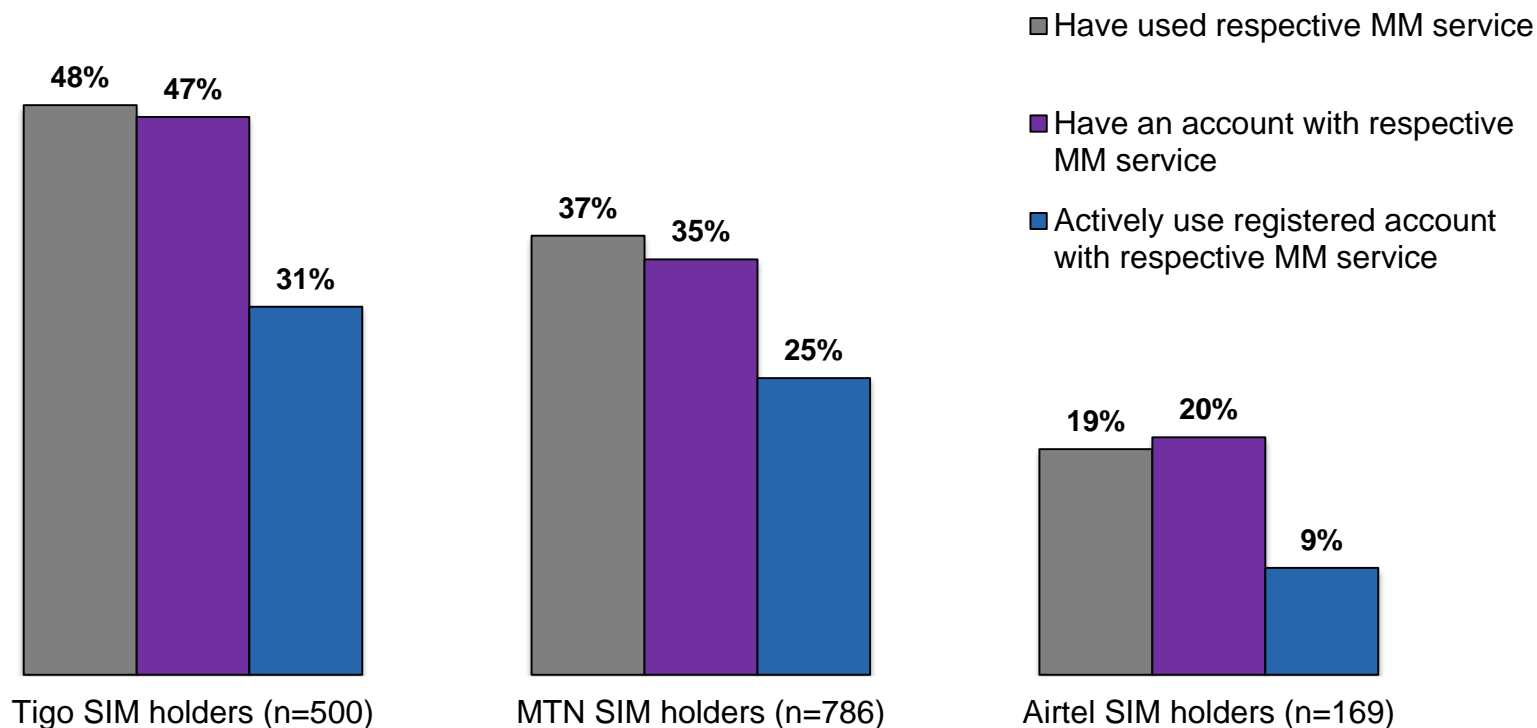
#### Tigo Cash (n=174)



# Tigo has the highest proportion of SIM cardholders who transitioned to active usage of Tigo Cash accounts

## Uptake and use of mobile money (MM) services among MNOs' SIM cardholders, by provider

(Shown: Percentage of each subgroup)

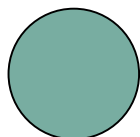


There is some overlap among users of different providers.

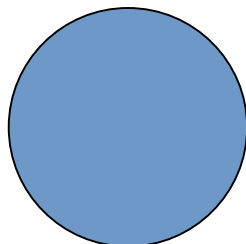
# Tigo Cash agents are the most visible to both users and nonusers of the service

**Which mobile money agent is the closest to where you live, regardless of whether you use this agent?** (Shown: Percentage of each subgroup. There is some overlap among users of different providers)

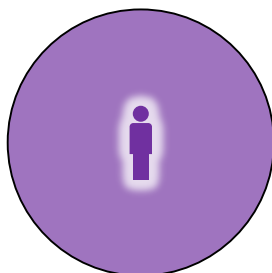
## **MTN MM User** (n=294)



**14%** said  
Airtel agents  
were closest

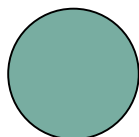


**58%** said  
Tigo agents  
were closest

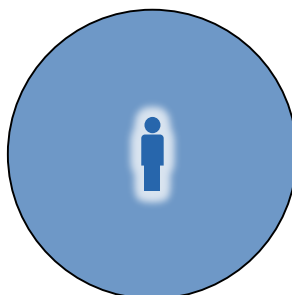


**70%** said  
MTN agents  
were closest

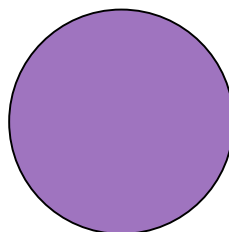
## **Tigo Cash User** (n=270)



**15%** said  
Airtel agents  
were closest

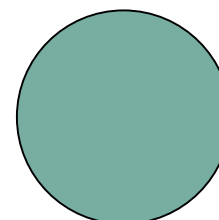


**81%** said  
Tigo Cash  
agents were  
closest

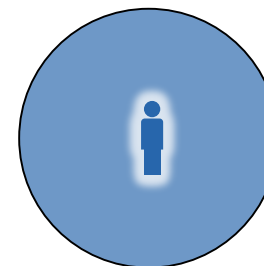


**45%** said  
MTN agents  
were closest

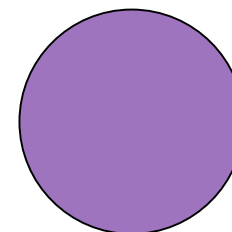
## **Airtel Money User** (n=33)



**43%** said  
Airtel agents  
were closest



**62%** said  
Tigo Cash  
agents were  
closest



**45%** said  
MTN agents  
were closest

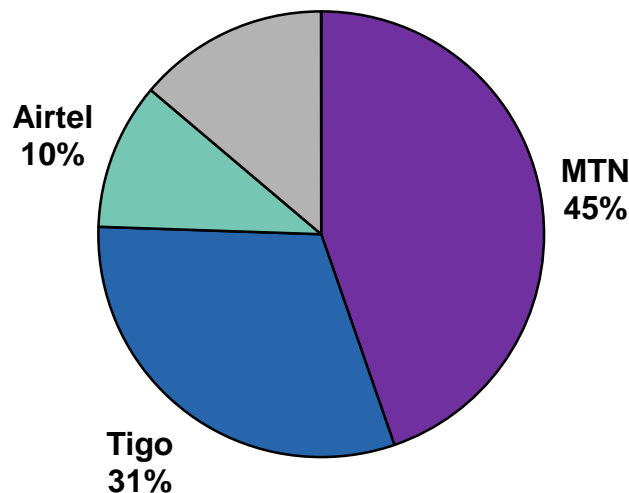
# 2

The average number of SIM cards held by respondents

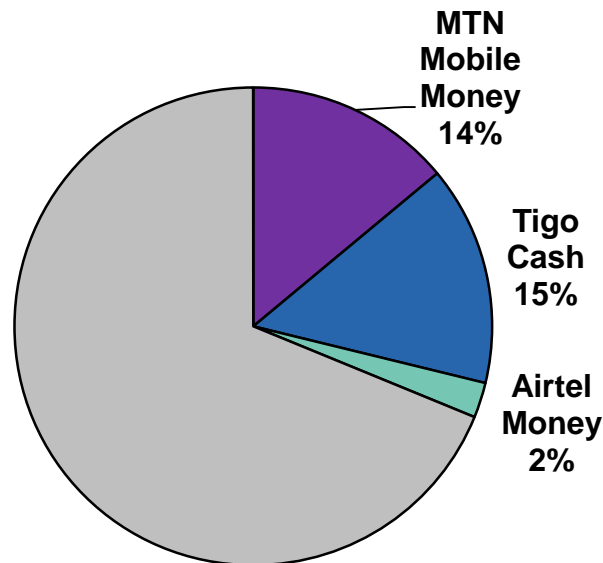
There is a gap between those who have a registered SIM (51%) and those who have a registered mobile money accounts (23%)

Holding more than one SIM is common among Rwandans; some mobile money account holders also report several accounts registered in their name

Percentage of adults with SIM cards in their name by provider. In total, 87% have a SIM card.



Percentage of adults with mobile money accounts registered in their name

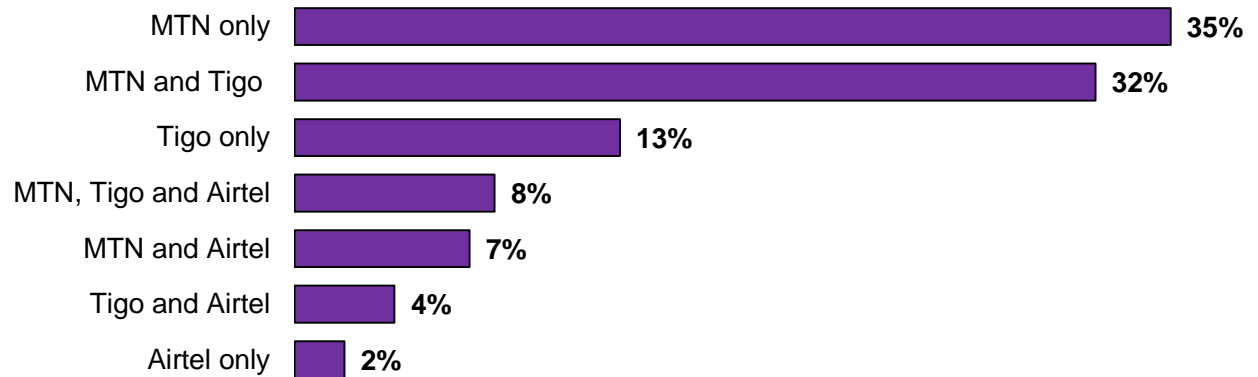


Note: The reported percentages do not account for duplication. Adults with more than one SIM or who have accounts with more than one provider, are counted as many times as the number of SIMs they have or number of providers they use, respectively.

# Multiple SIM card ownership provides an opportunity for interoperability

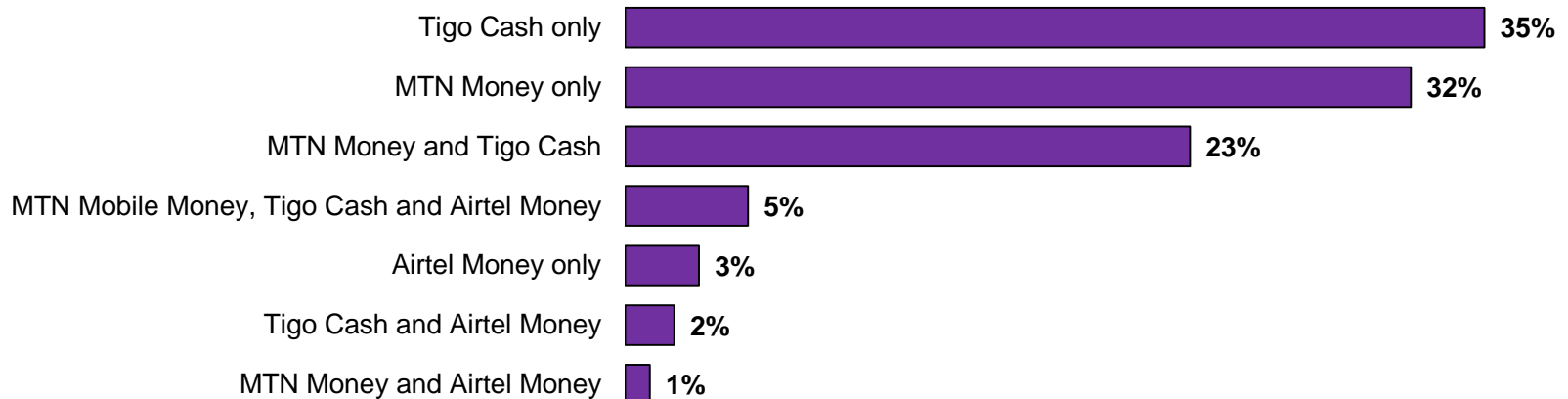
## Do you have a SIM card(s) with the following mobile network operators?

(Shown: Percentage of those who hold a SIM card with MTN, Tigo or Airtel, n=929)



## Do you have a registered mobile money account with the following mobile money providers?

(Shown: Percentage of those who hold an account with MTN Mobile Money, Tigo Cash or Airtel Money, n=413)



Some customers attempted cross-network transactions even though this service was not offered by most providers

**Which of the following transactions have you attempted in the past 90 days?**

(Shown: The top-five reported activities that require interoperability, percentage of all adults, N=2,003)

**2.0%**

Send money from my mobile money account to an account of another person who uses a different mobile money provider

**2.0%**

Receive money to my mobile money account from an account of another person who uses a different mobile money provider

**0.9%**

Deposit money from my mobile money account to a bank account

**0.9%**

Send money from my bank account to a mobile money account that belongs to me or another person

**0.8%**

Have mobile money agent deposit money to a bank account for me

**0.8%**

Make a transaction with a mobile money agent who works for a provider different from mine



# Technical issues, such as network downtime, top the list of overall complaints about mobile money services

## Top five problems with mobile money services, unrelated to an agent

(Shown: Percentage of mobile money users who reported issues, n=453)

**16%**

The service was not available for technical reasons (GSM or mobile network was down)

**6%**

The service was interrupted during a transaction and I could not finish the transaction

**5%**

My registration has taken long (more than a day) to get approved

**4%**

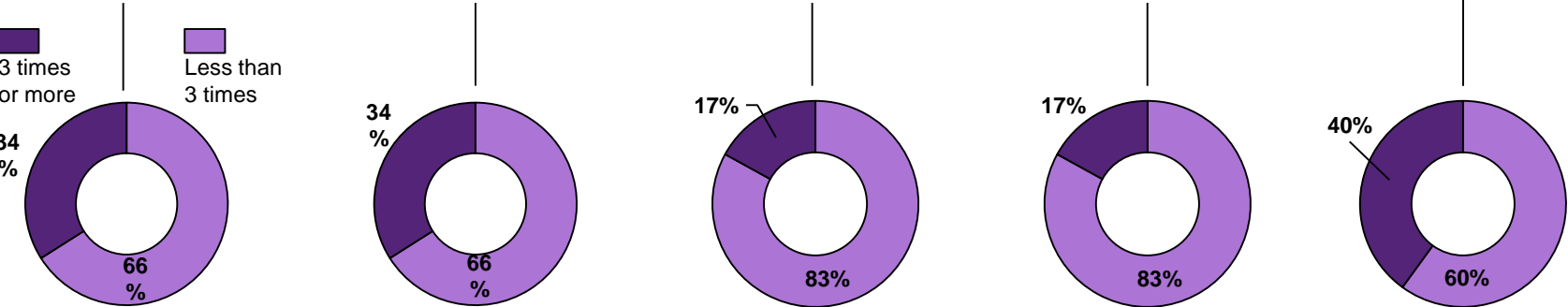
I forgot my PIN number

**4%**

I could not access my account when I wanted to

## How many times have you experienced this issue in the past 6 months?

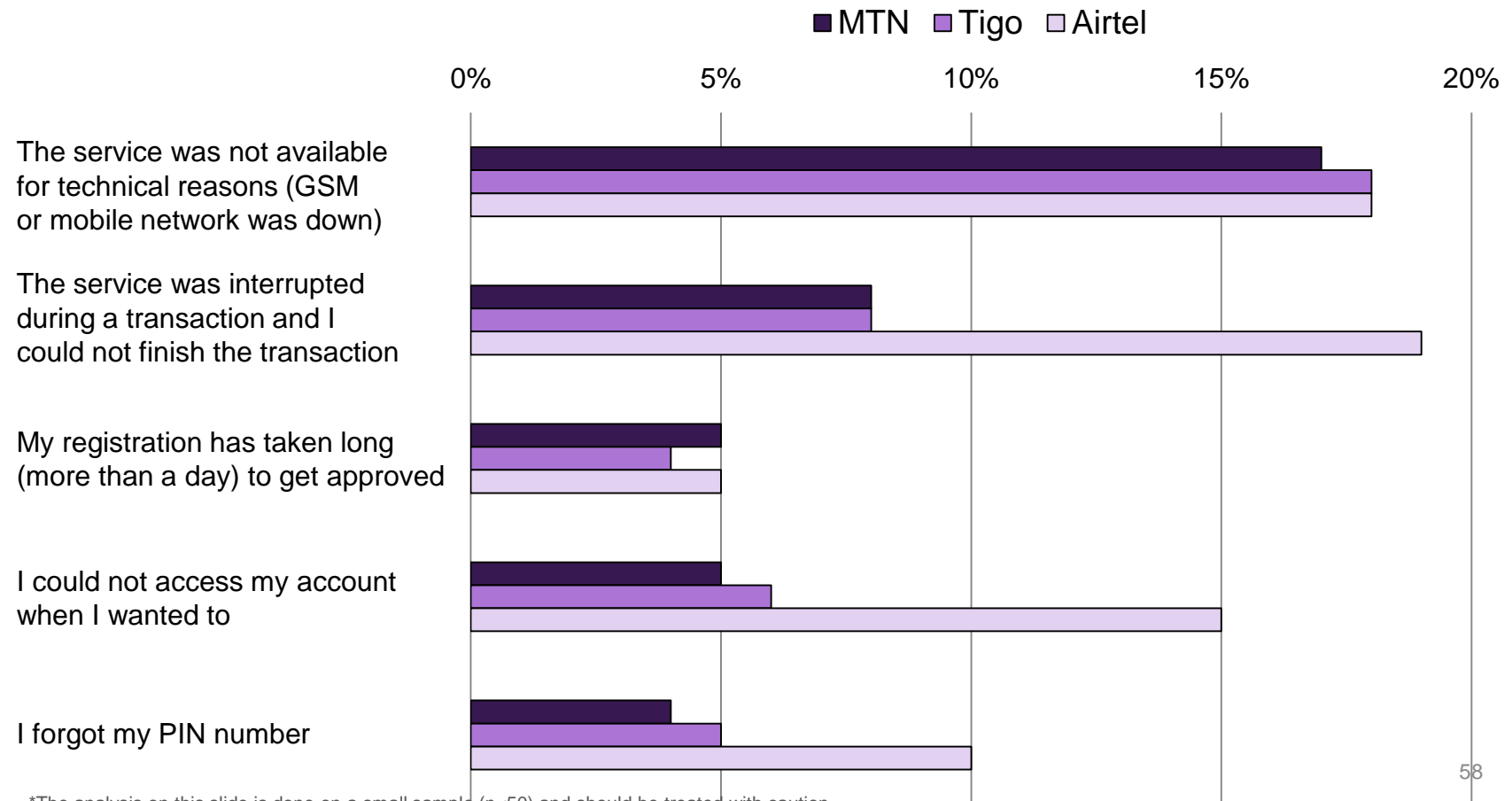
(Shown: Percentage of mobile money users who reported each issue)



When complaints were broken down by provider, Airtel Money users appeared to have the most troublesome experiences, beyond agent downtime

### Issues with providers' network unrelated to agents

(Shown: Percentage of MTN Mobile Money users, who use an agent, n=294; Percentage of Tigo Cash users, who use an agent, n=270; percentage of Airtel Money users, who use an agent, n=33\*)



\*The analysis on this slide is done on a small sample (n<50) and should be treated with caution.

# Customers also complained of agents' absenteeism, and cash and e-float shortages

## Top four problems with mobile money agents

(Shown: Percentage of mobile money users, n=453)

**36%**

GSM, mobile network or agent system was down\*

**25%**

Agent was absent

**23%**

Agent did not have enough cash or e-float and could not perform the transaction

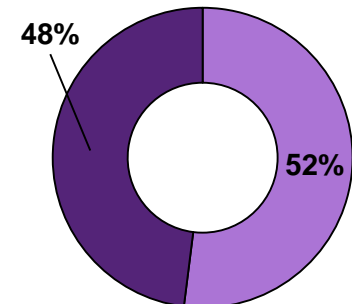
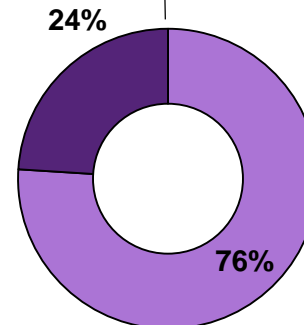
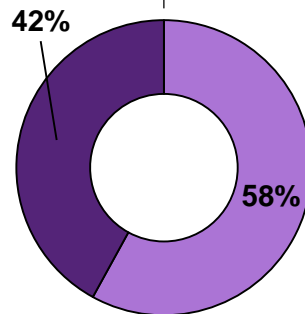
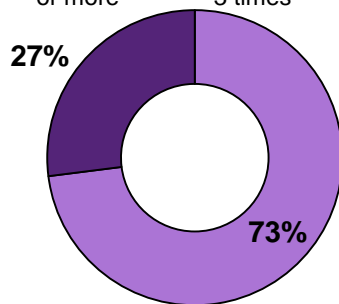
**10%**

Agent was rude or dismissive of women

## How many times have you experienced this issue in the past 6 months?

(Shown: Percentage of mobile money users who reported each issue)

3 times or more  
Less than 3 times

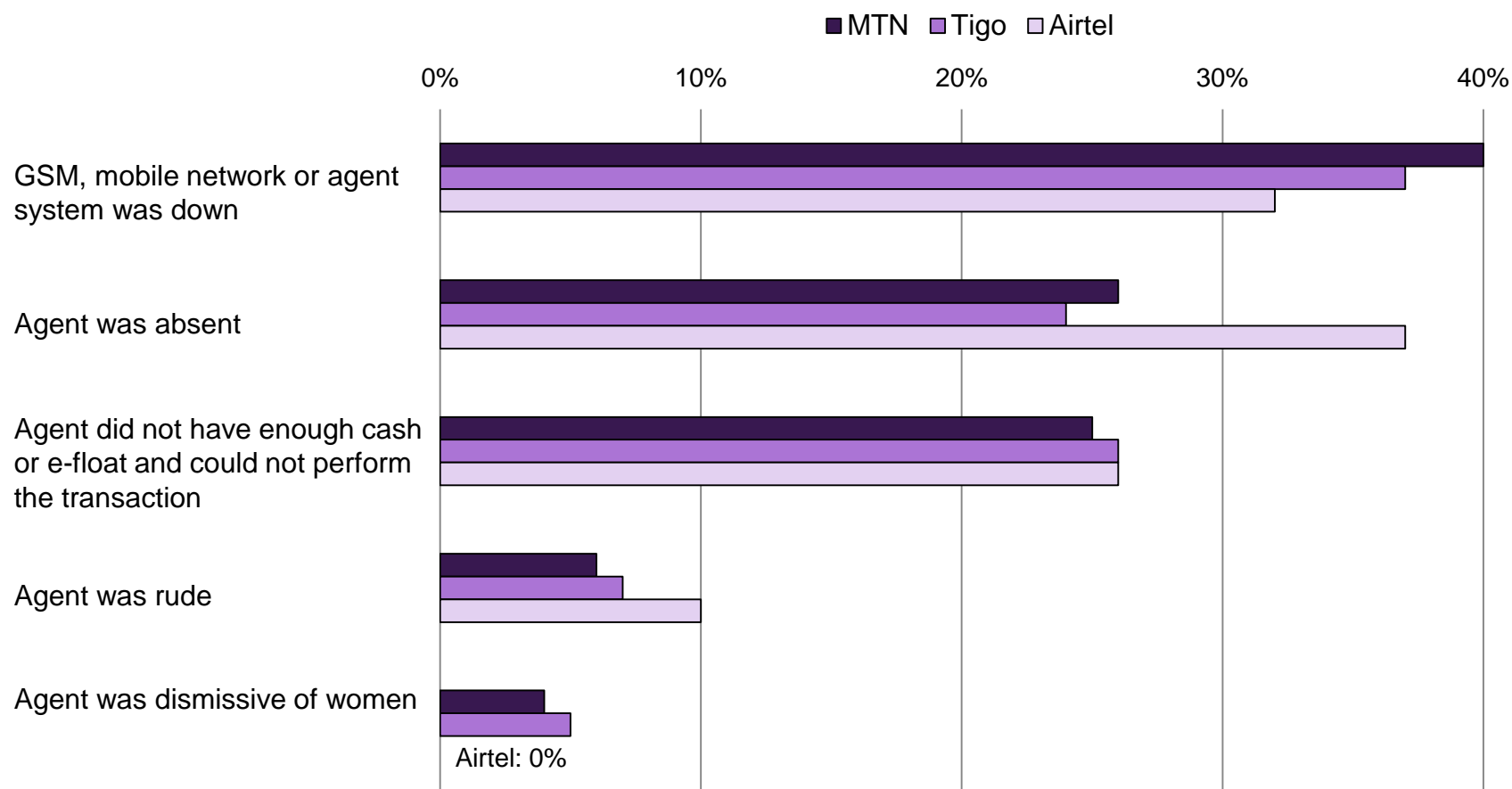


\*GSM/mobile network was down – instances of provider network not being available for any reason including weather or technical conditions. Agent network downtime might be isolated from the GSM network breakdowns – it is possible for an agent's terminal to have technical issues while GSM network is available. Anecdotal evidence shows that (a) the user is not always able to understand the difference, and (b) agents use users' incompetence and sometimes lie about the network being down to direct users to other agents.<sup>59</sup>

When complaints about agents are broken down, MTN and Tigo have the highest incidence of network downtime, while Airtel agents are perceived to be rude and are most likely to be absent

### Issues with providers' agents

(Shown: Percentage of MTN Mobile Money users, who use an agent, n=294; percentage of Tigo Cash users, who use an agent, n=270; percentage of Airtel Money users, who use an agent, n=33\*)



\*The analysis on this slide is done on a small sample (n<50) and should be treated with caution.

Digital wallet services like mVisa are failing to gain traction in the market, with low awareness and uptake of the services

**10%**

aware of any  
mVisa product

**1%**

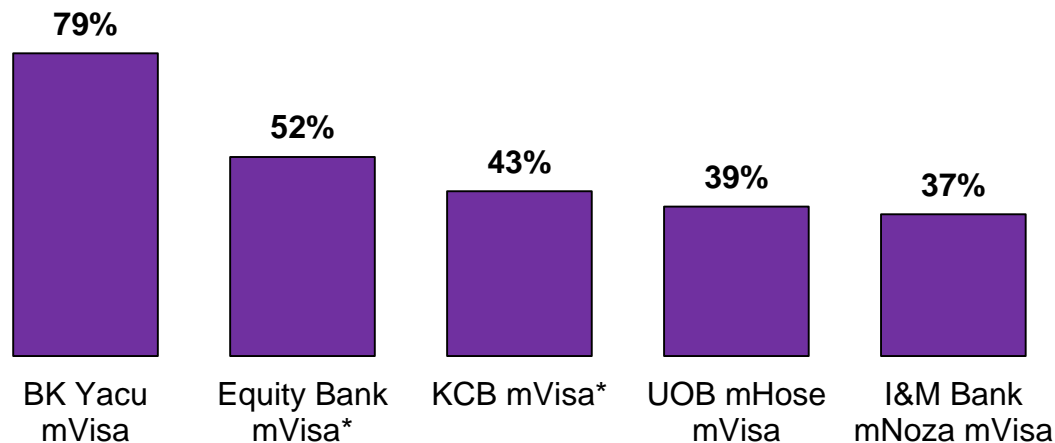
ever used any  
mVisa product

**1%**

have an account with  
any mVisa product

### Awareness of mVisa products

(Shown: Percentage of all adults who are aware of any mVisa products, n=168)



\* Nearly half of those who say they are aware of mVisa products named two products that do not exist – Equity Bank mVisa and KCB mVisa.

Perhaps when asked about mVisa, Rwandans recognize “Visa” but not the specific mVisa product.

Going forward, it will be important to explain the difference between Visa and mVisa, as well as to make customers aware of mVisa products through promotional/educational campaigns.

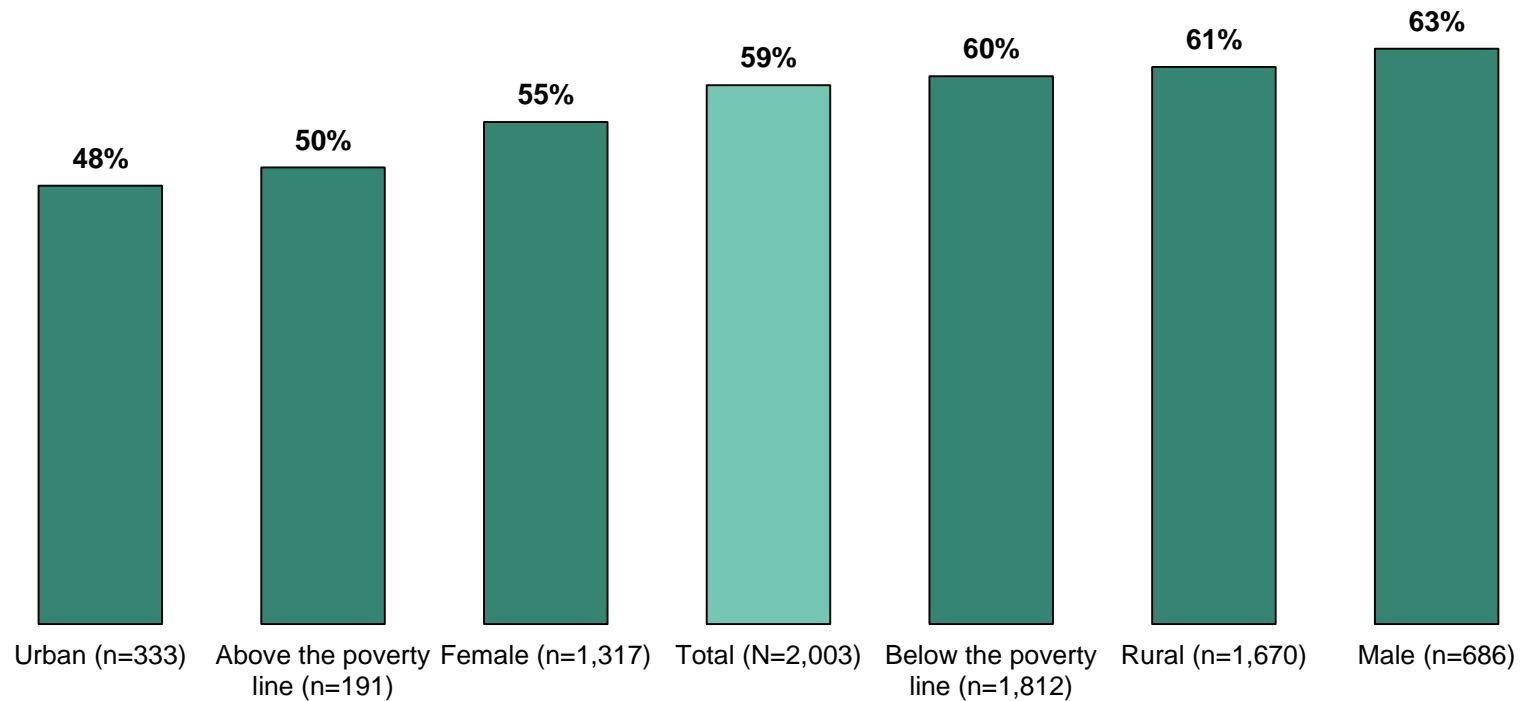


# The Cash Flow of Rwandans

# Rwandans face high rates of unemployment, especially in urban areas

## Employment demographics

(Shown: Percentage of each demographic group who have a job with regular pay, occasional pay, or self-employed)



\*Employed adults are adults who earn income through regular full- or part-time jobs, occasional/irregular paid assignments (unskilled labor) and self-employment.

Most Rwandan adults struggle to  
earn enough for routine expenses

**57%**

**are unable** to earn  
more than they  
spend each month,  
at least occasionally

**63%**

**do not have** an  
emergency fund to  
cover unplanned  
expenses

**68%**

**have debts** that  
exceed their savings,  
at least occasionally

**91%**

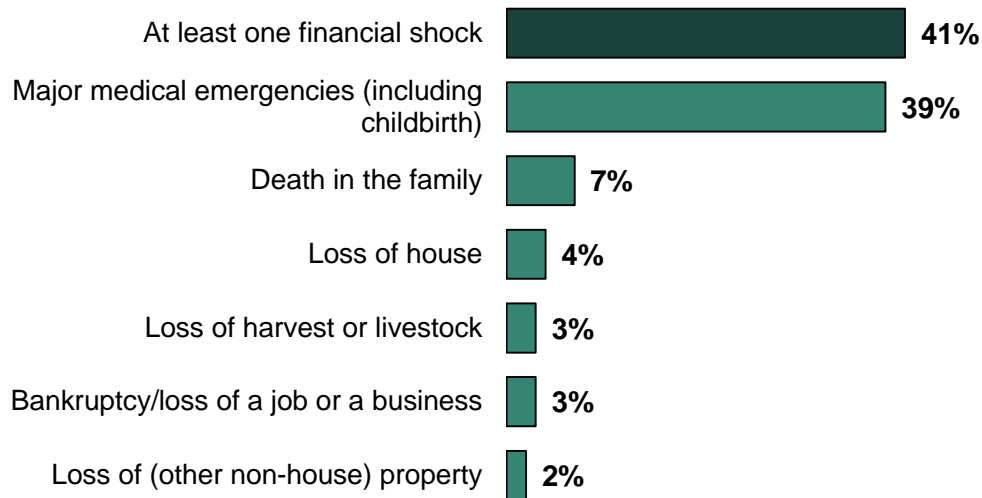
**had no money  
left** last month  
after paying  
routine expenses



# Many reported they do not have enough money to deal with financial shock if it occurred

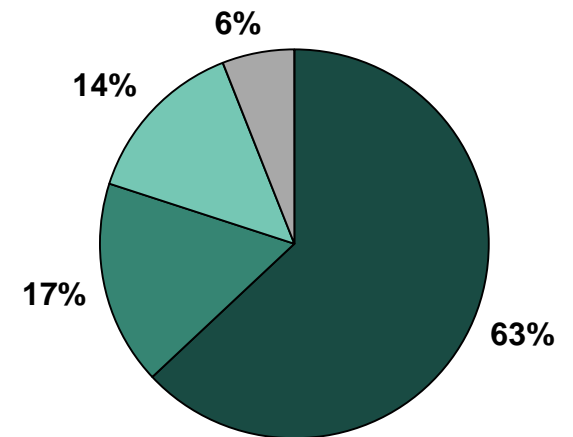
## Families who had plans to manage financial shocks

(Shown: Percentage of all adults, N=2,003)



## Emergency fund available

■ Never ■ Sometimes ■ Rarely ■ Always

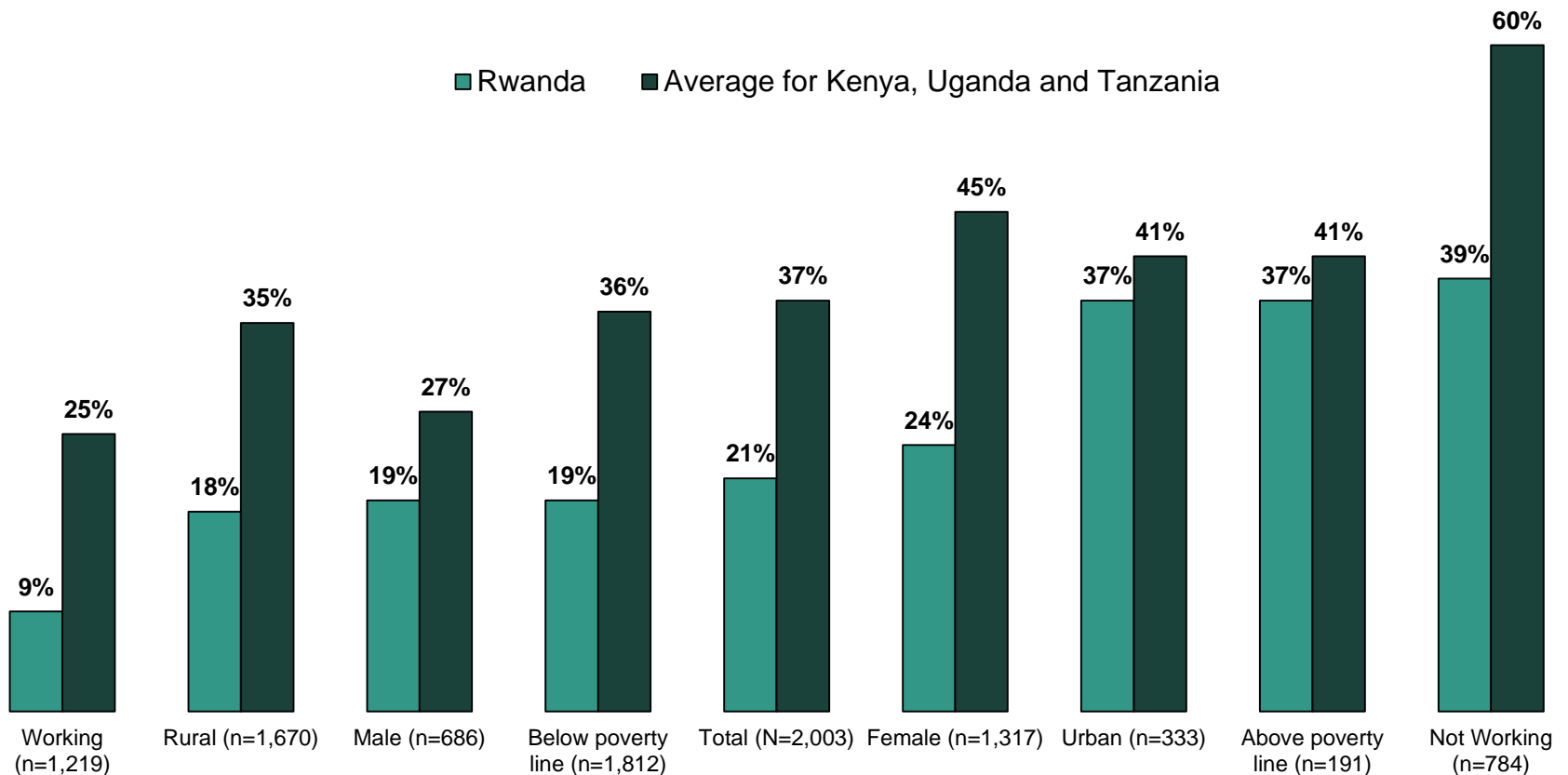


Those living above the poverty line are more likely than the poor to have an emergency plan: 52% vs. 39% respectively; 33% have a living will; 6% have a retirement plan.

Remittances are also common, especially amongst urban, unemployed and those above the poverty line

### Remittance recipients, by demographics

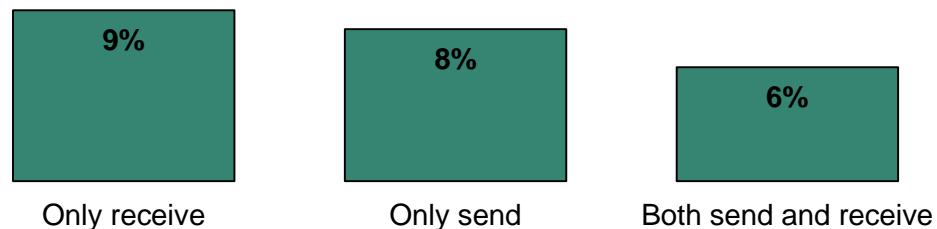
(Shown: Percentage of each demographic group)



A total of 11% of Rwandans are engaged in any type of remittance activities; males and rural residents are the most active senders

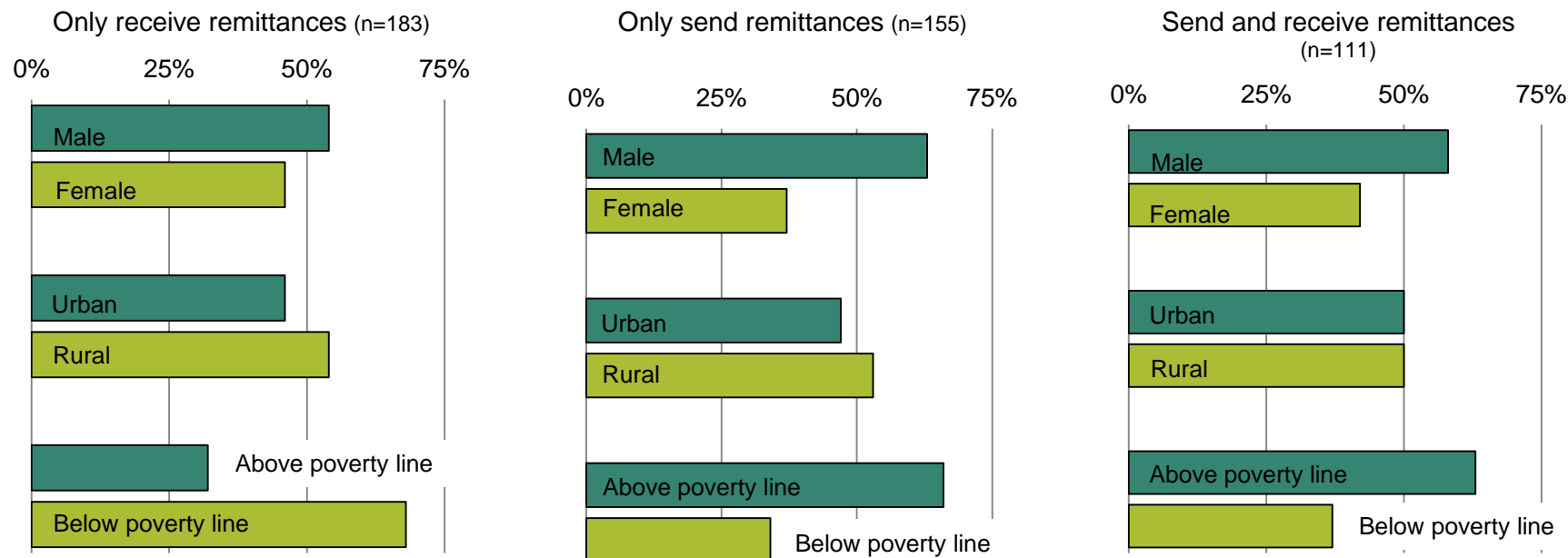
### Remittance activities, by type

(Shown: Percentage of all adults, N=2,003)



### Remittance activities by demographic characteristics

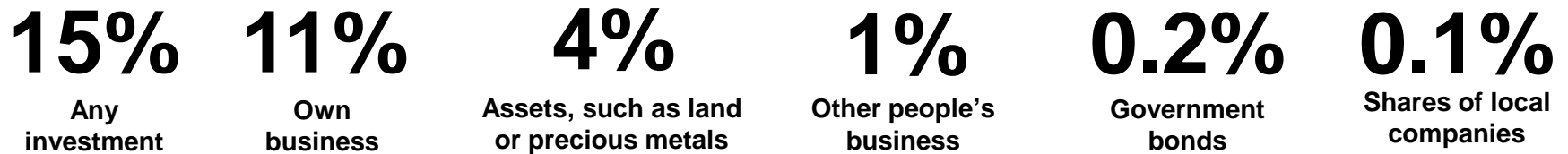
(Shown: Percentage for each subgroup of those engaged in remittance-related behaviors)



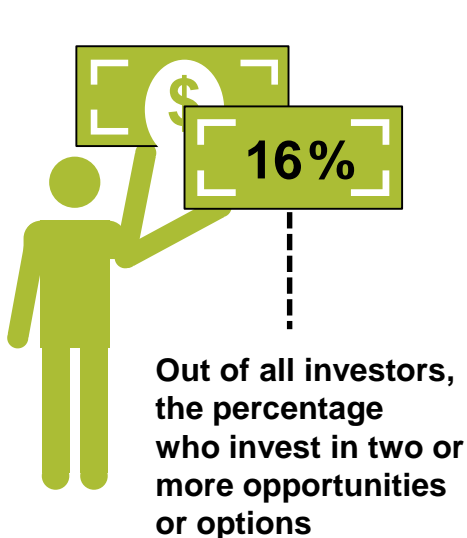
Few Rwandans have any investments; most of those who do, invest in their own businesses

### Do you invest in the following?

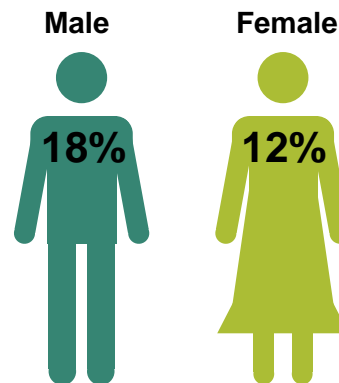
(Shown: Percentage of Rwandan adults, N=2,003)



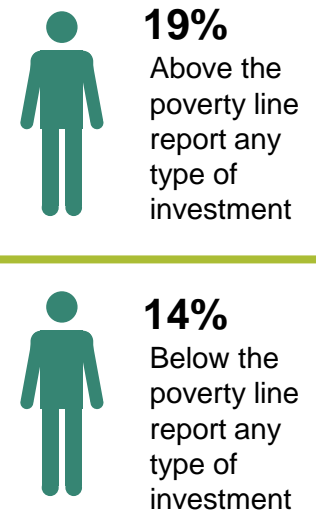
### Investment statistics

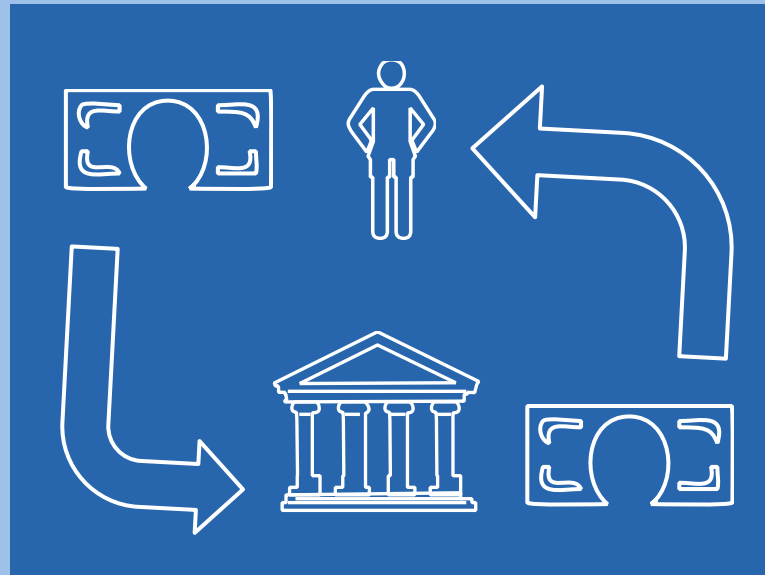


#### A gap exists in investment activities by gender



#### Another gap exists by financial status



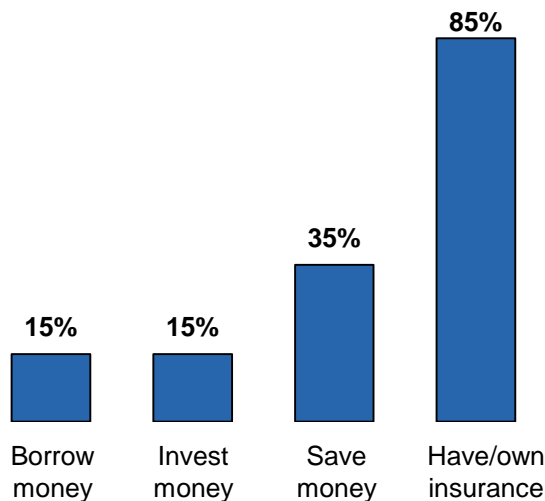


# Financial Behavior

Due to cash flow instability, financial activity is focused on self-preservation and risk-averse financial products

### Rwandan households financial activities

(Shown: Percentage of all adults, N=2,003)



### The top three reasons Rwandans save and borrow

(Shown: Percentage of each subgroup)



#### Reasons for saving (n=708)

- 54%** Protect my family from poverty and crime
- 51%** Just make ends meet on a daily basis
- 23%** Protect my belongings



#### Reasons for borrowing (n=323)

- 28%** Invest in business, farm or future
- 18%** Emergency expenses, excluding medical
- 18%** Routine purchases, such as food and transport

	Rwanda (N=2,003)	Ghana (N=3,002)	Kenya (N=2,995)	Tanzania (N=3,000)	Uganda (N=3,001)
Percentage who have insurance	<b>85%</b>	65%	22%	12%	3%

# Insurance products are popular, with most Rwandans using at least one insurance product

## Do you have this type of insurance?

(Shown: Percentage of Rwandan adults, N=2,003)

**71%** Percentage who report paying premiums for their coverage

**13%** Percentage of Rwandan adults who say their insurance is free of charge

**2%** Percentage who say they get insurance from a network provider

## The Community-Based Health Insurance (CBHI)

schemes are state-community partnerships, which provide health insurance coverage to populations employed in the rural and informal sectors (i.e., the majority of the poor) in Rwanda.

CBHI has helped develop a new national distribution modality through which the state, districts, donors and non-government organizations provide health insurance coverage to the poorest and most vulnerable groups.

The government continues to strengthen the quality of coverage accessible to the poor by reducing co-payments and prescribing a minimum health insurance package. Each household contribution is a flat rate prescribed by the Ministry of Health.

**85%**

Any type of insurance

**83%**

Medical insurance

**4%**

Life insurance

**0.5%**

Automotive insurance

**0.4%**

House/other property

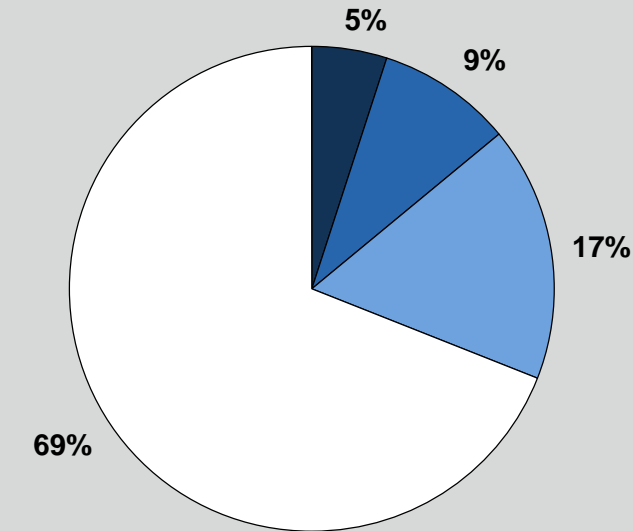
**0.2%**

Unemployment

# When Rwandans have money left over, they put it into savings

## Which of the following statements describes your financial situation last month?

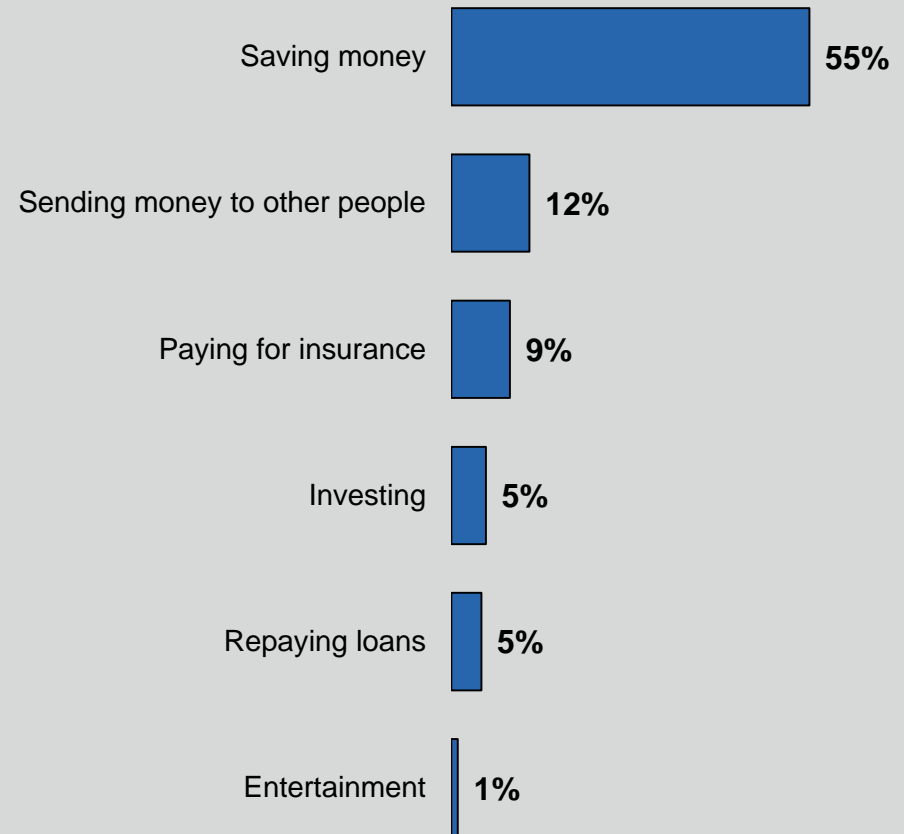
(Shown: Percentage of total population, N=2,003)



- I had to borrow money to pay all typical family/personal expenses
- I paid all typical family/personal expenses and had some money remaining
- I had to borrow money to pay some typical family/personal expenses
- I paid all typical family/personal expenses and had no money remaining

## What was the main expense for which you used leftover money last month?

(Shown: Percentage of adults who had leftover money "last month," n=159)

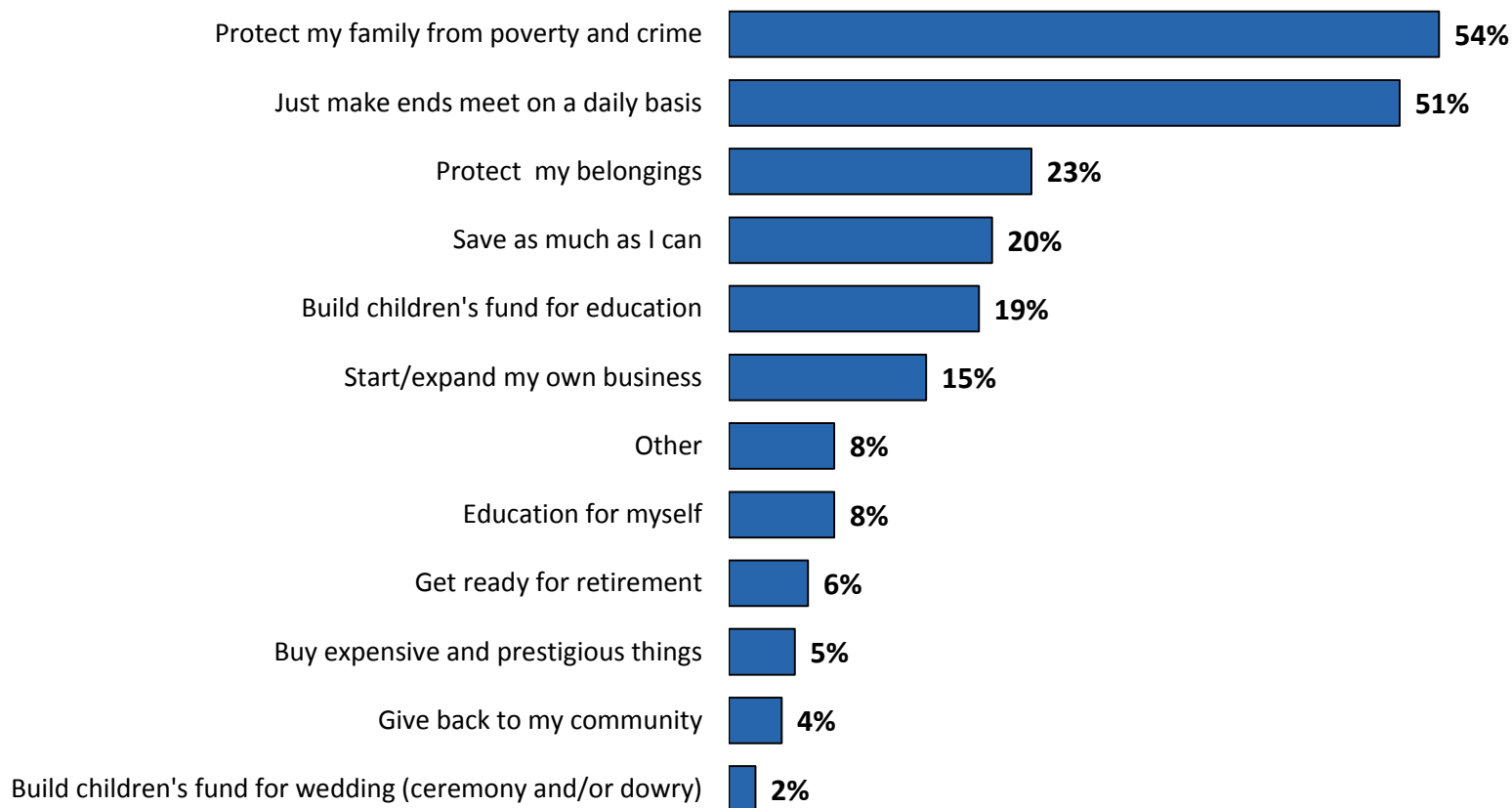




# Savings are usually used for managing ups and downs and dealing with financial shocks

## Do you save for any of the following reasons?

(Shown: Percentage of adults who save, n=708)

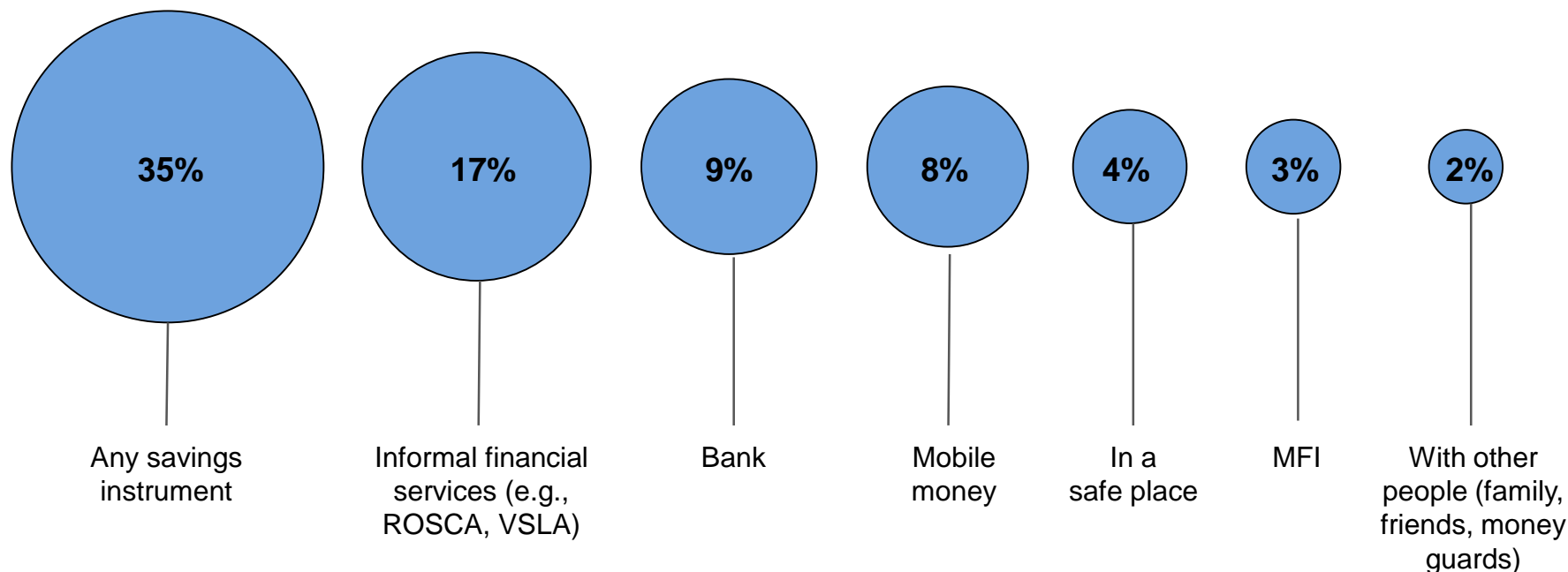


The question allowed for multiple responses. The percentages do not add up to 100%.

For those who save, savings options with informal financial services are the most popular, followed by banks

### Where do you save money?

(Shown: Percentage of Rwandan adults, N=2,003)

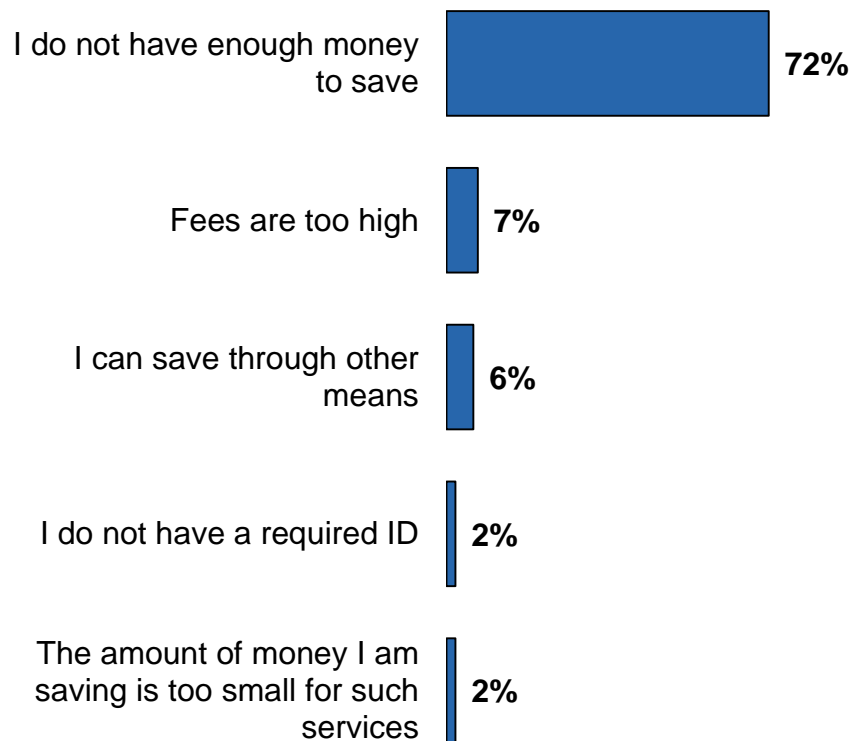


The question allowed for multiple responses. The percentages do not add up to 100%.

# A lack of money is the key barrier to saving with a bank or mobile money service

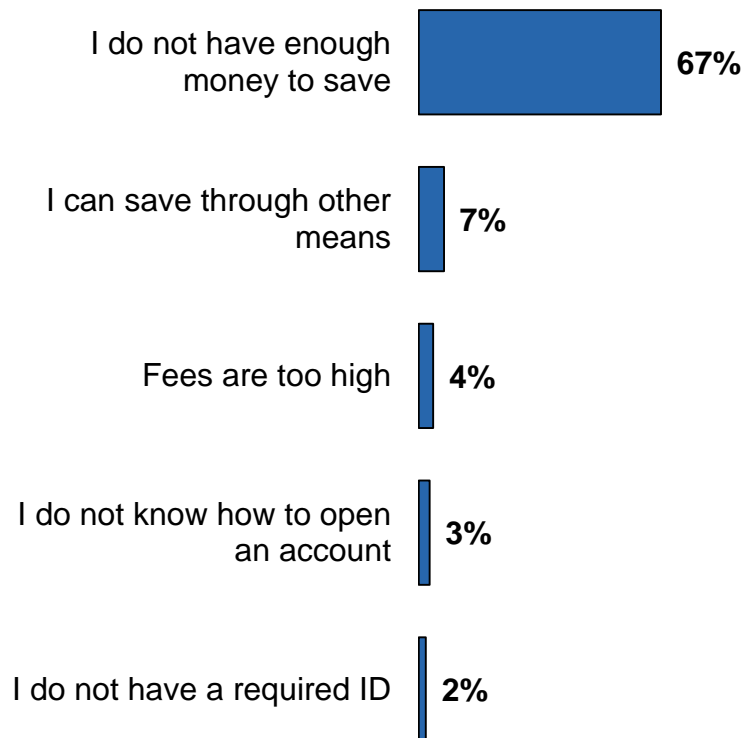
## Top five reasons Rwandans do not save with a bank

(n=1,829)



## Top five reasons Rwandans do not save with a mobile money service

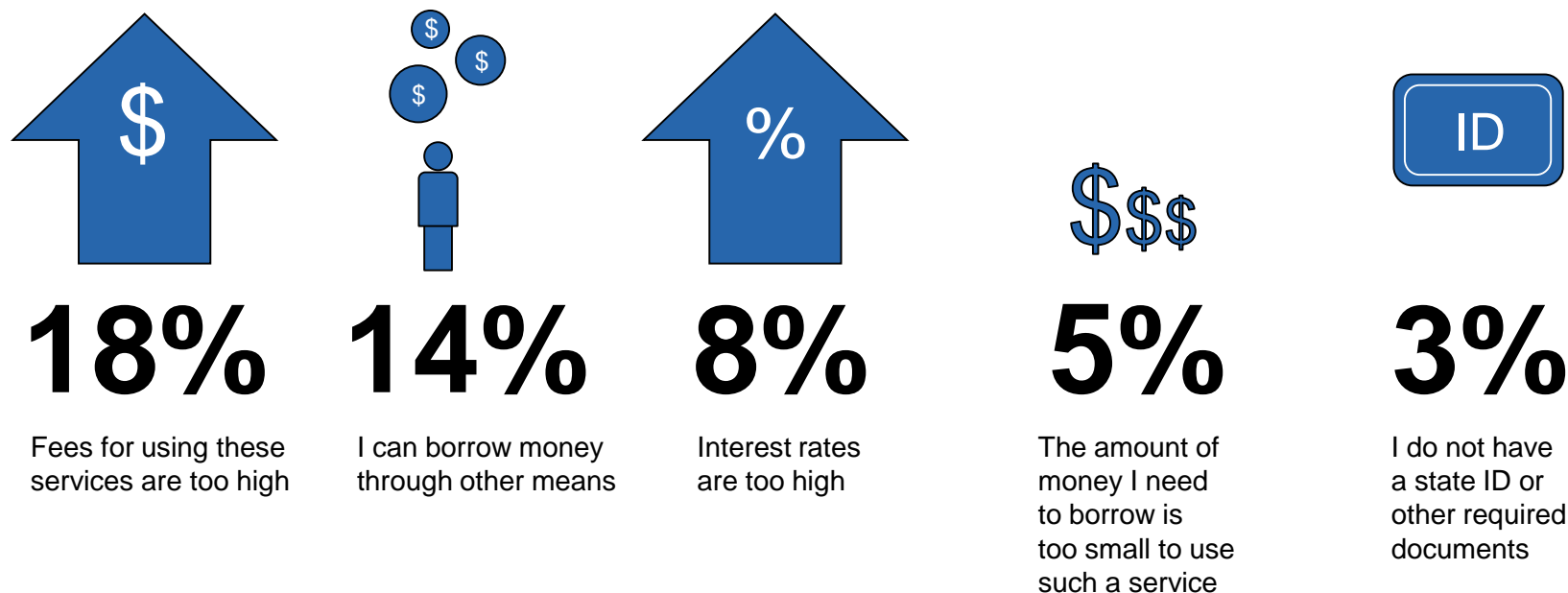
(n=1,873)



High fees and availability of alternative/informal options are the key barriers to borrowing from banks or mobile money services

### Top five reasons Rwandans do not borrow from formal financial institutions

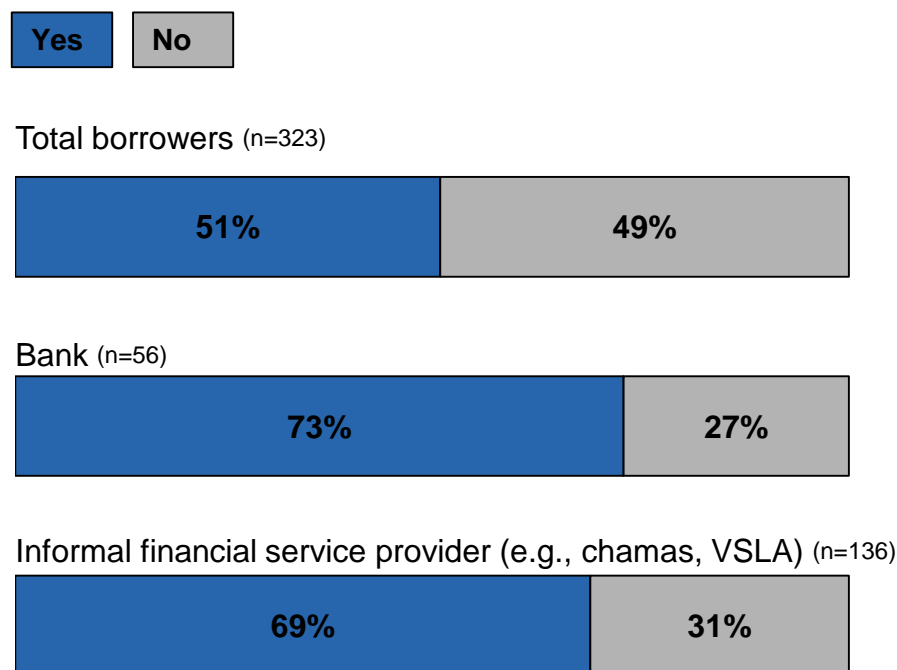
(Shown: Percentage of those who do not borrow from financial institutions, n=264)



There are challenges related to consumer awareness; only half of total borrowers know their loan terms, which might explain defaults and late repayments

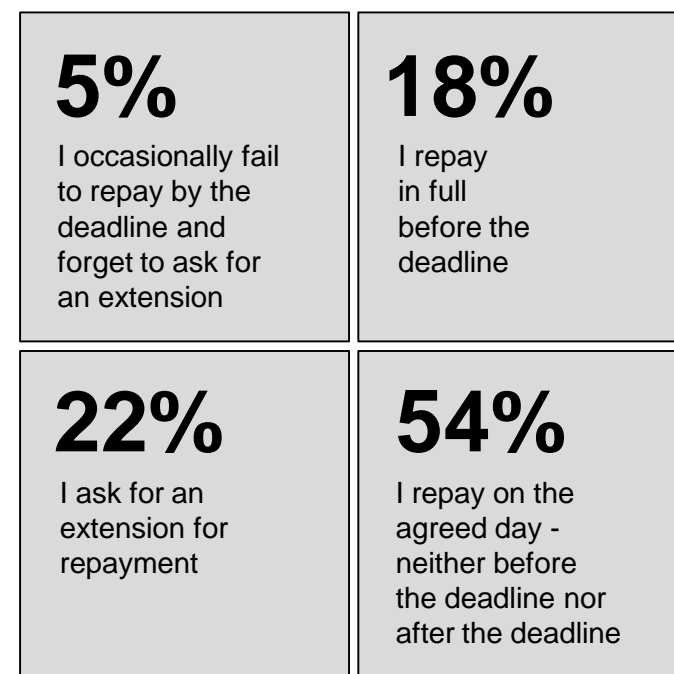
### Do you know what interest rate you pay on a loan from this institution?

(Shown: Percentage of adults who take loans from each type of lender)



### How do you usually repay your loans?

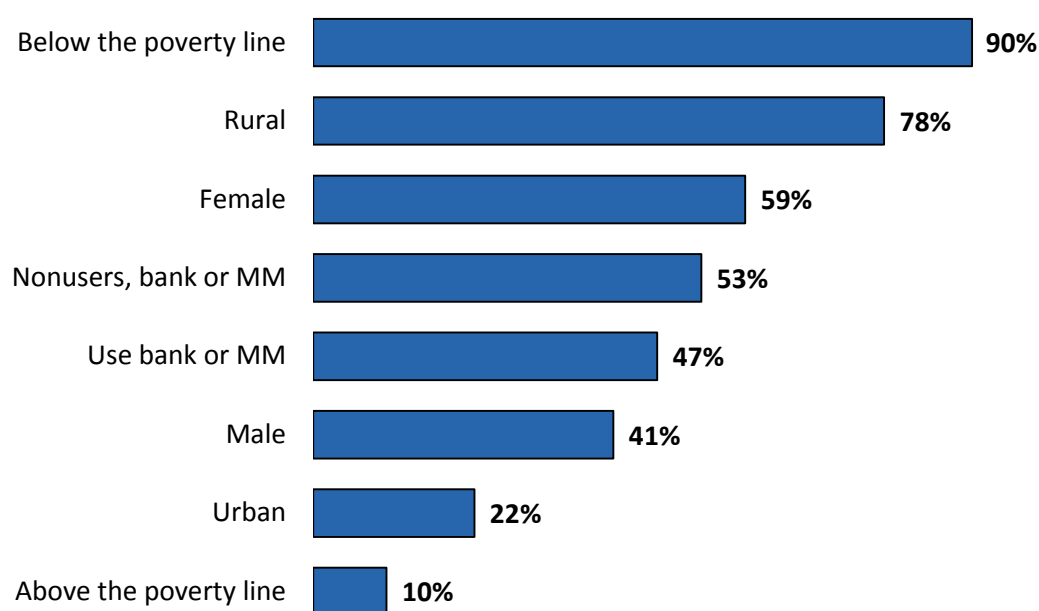
(Shown: Percentage of adults who take loans, n=323)



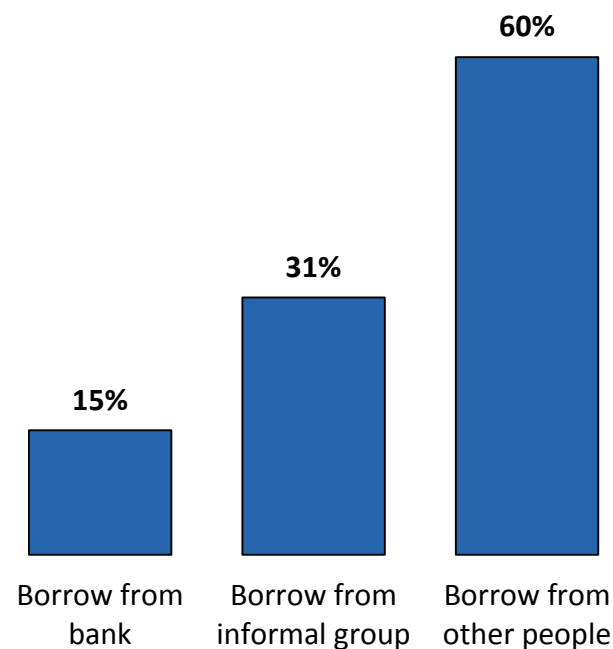
The majority of borrowers who do not repay on time or at all are those below the poverty line or in rural locations

### Demographics of those who do not repay loans on time or at all

(Shown: Percentage of adults who borrow in each category and within subgroups, n=102)



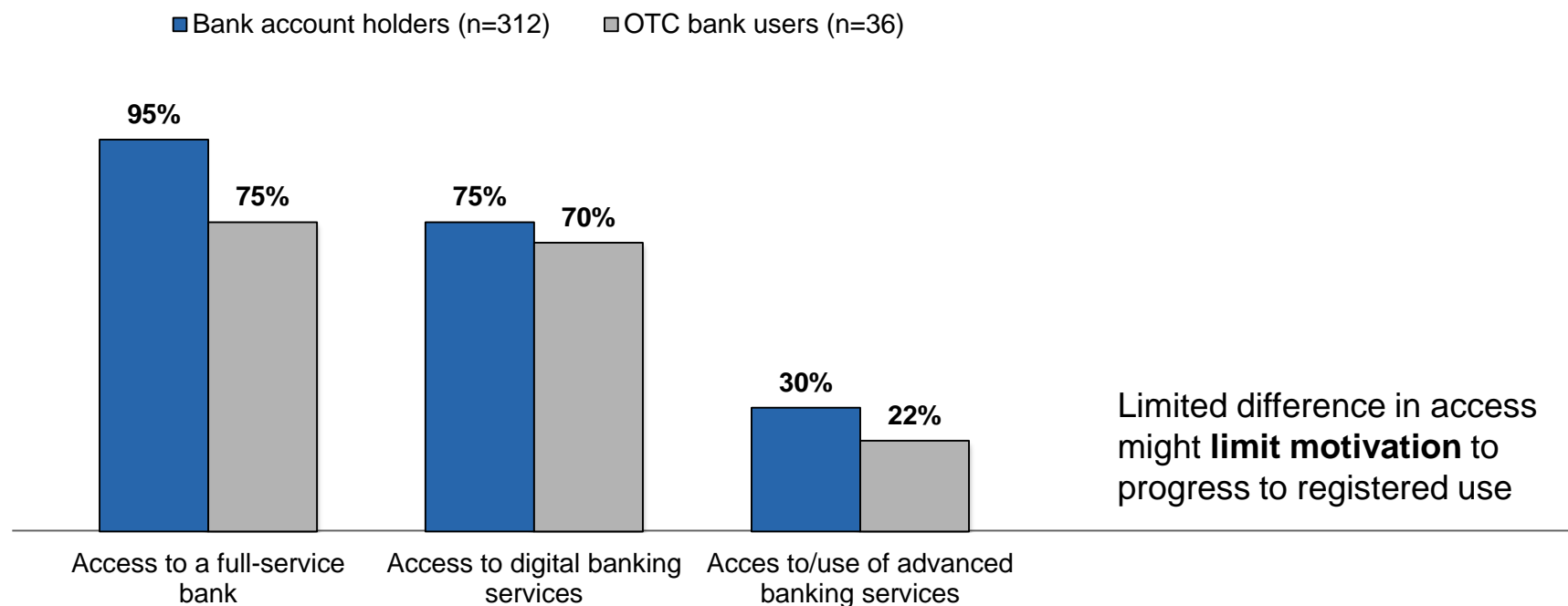
### Loan origination for those who do not repay loans on time or at all



The difference in access to services between bank account holders and over-the-counter (OTC) bank users is mostly in access to a full-service bank

### Bank account access and ownership

(Shown: Percentage of each subgroup\*)



Full-service banks are banks that offer customers at least one of the following: savings, investment, insurance, money transfer.

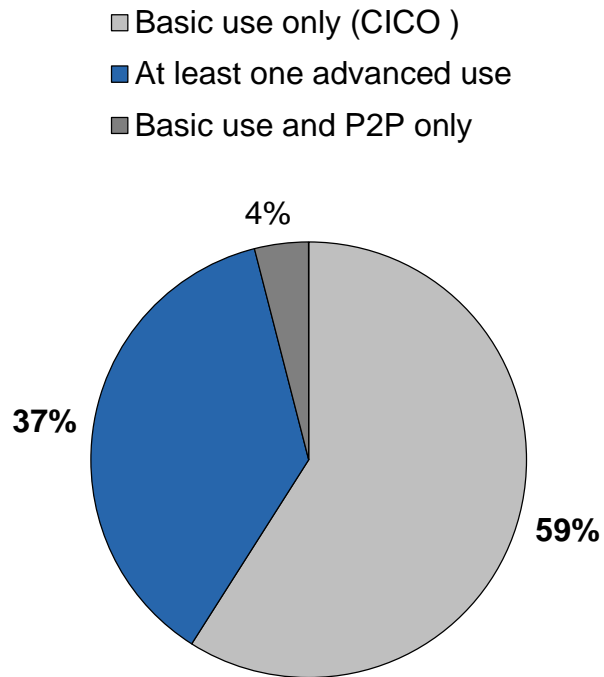
Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

\*The analysis of OTC users is done on a small sample (n<50) and should be treated with caution.

# Bill pay tops the list of advanced usage for banks, along with receiving wages

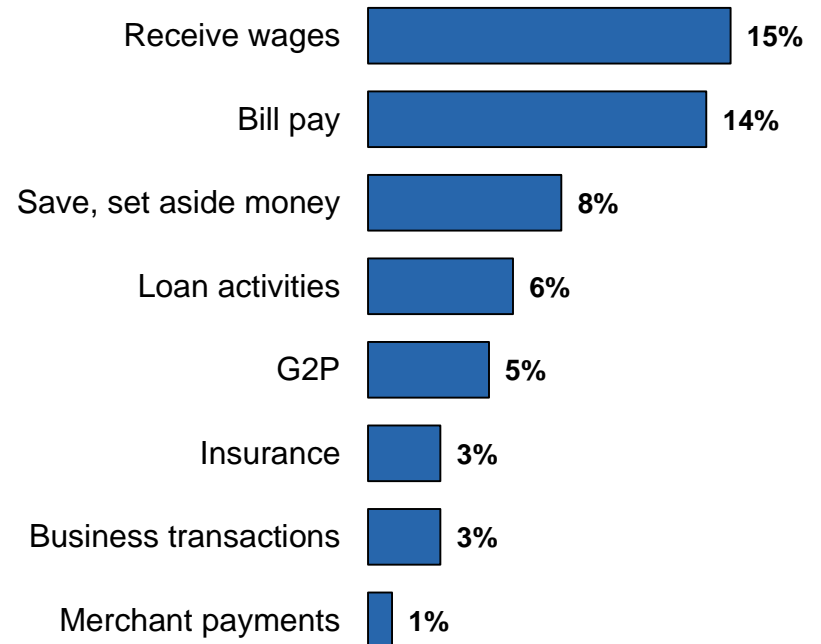
## Bank account uses

(Shown: Percentage of active bank account holders, n=200)



## Top advanced bank account uses

(Shown: Percentage of active bank account holders, n=200)



Active account holders conduct, on average, one advanced activity;  
16% conduct two advanced activities.

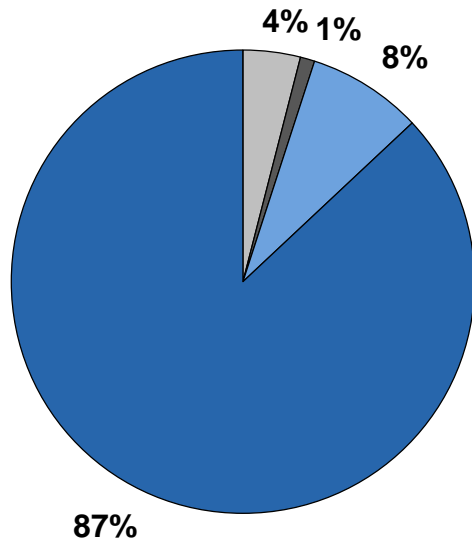


# Digital bank accounts are not common; digital bank account holders access these accounts through several channels

## Digital bank account access\*

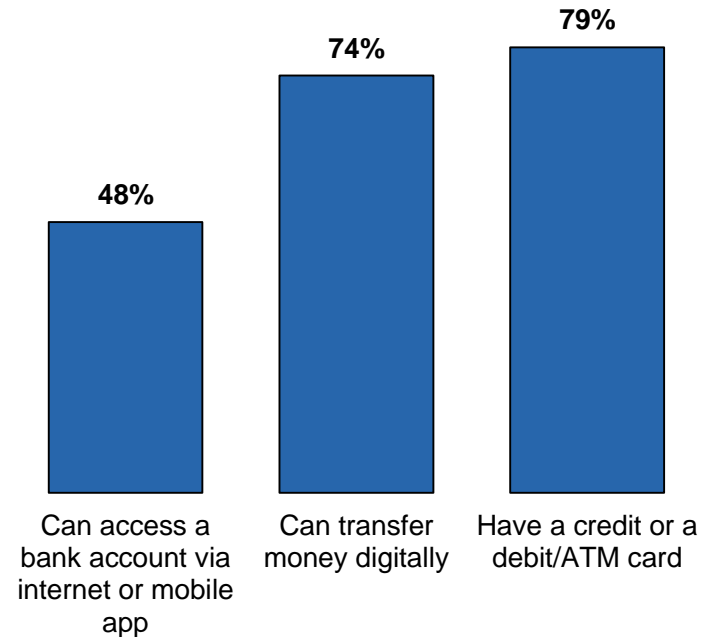
(Shown: Percentage of Rwandan adults, N=2,003)

- Lapsed digital bank account holders
- Unregistered users of digital bank accounts
- Active digital bank account holders
- Do not have digital access to a bank account



## Variety of methods of access for the 8% of active digital account holders

(Shown: Percentage of active digital bank account holders, N=177)  
Question allowed for multiple responses

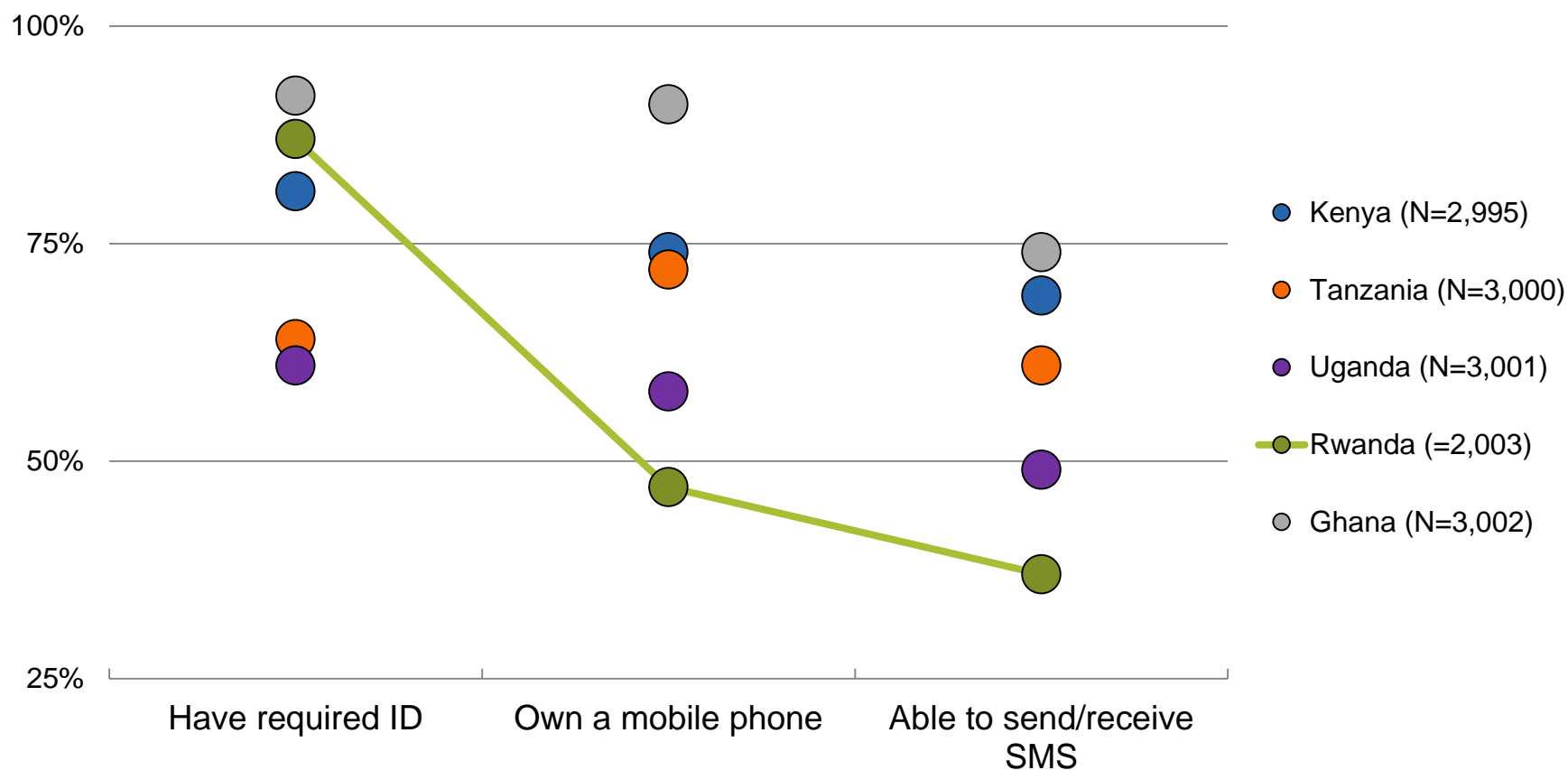


\*Digital bank accounts offer at least one of the following options: debit/ATM or credit cards, internet or mobile access, or a digital money transfer capability.

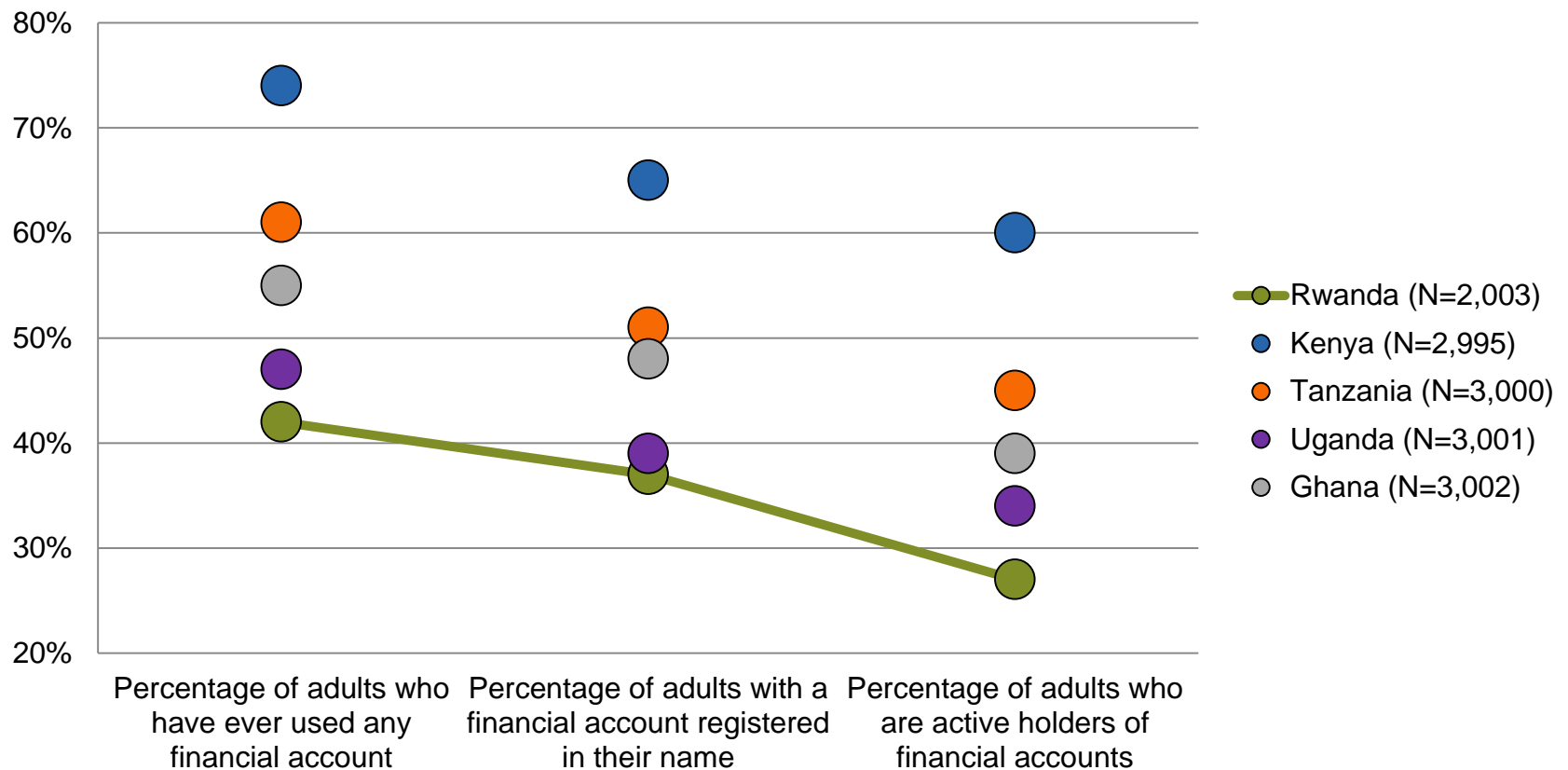
# Cross-Country Comparisons



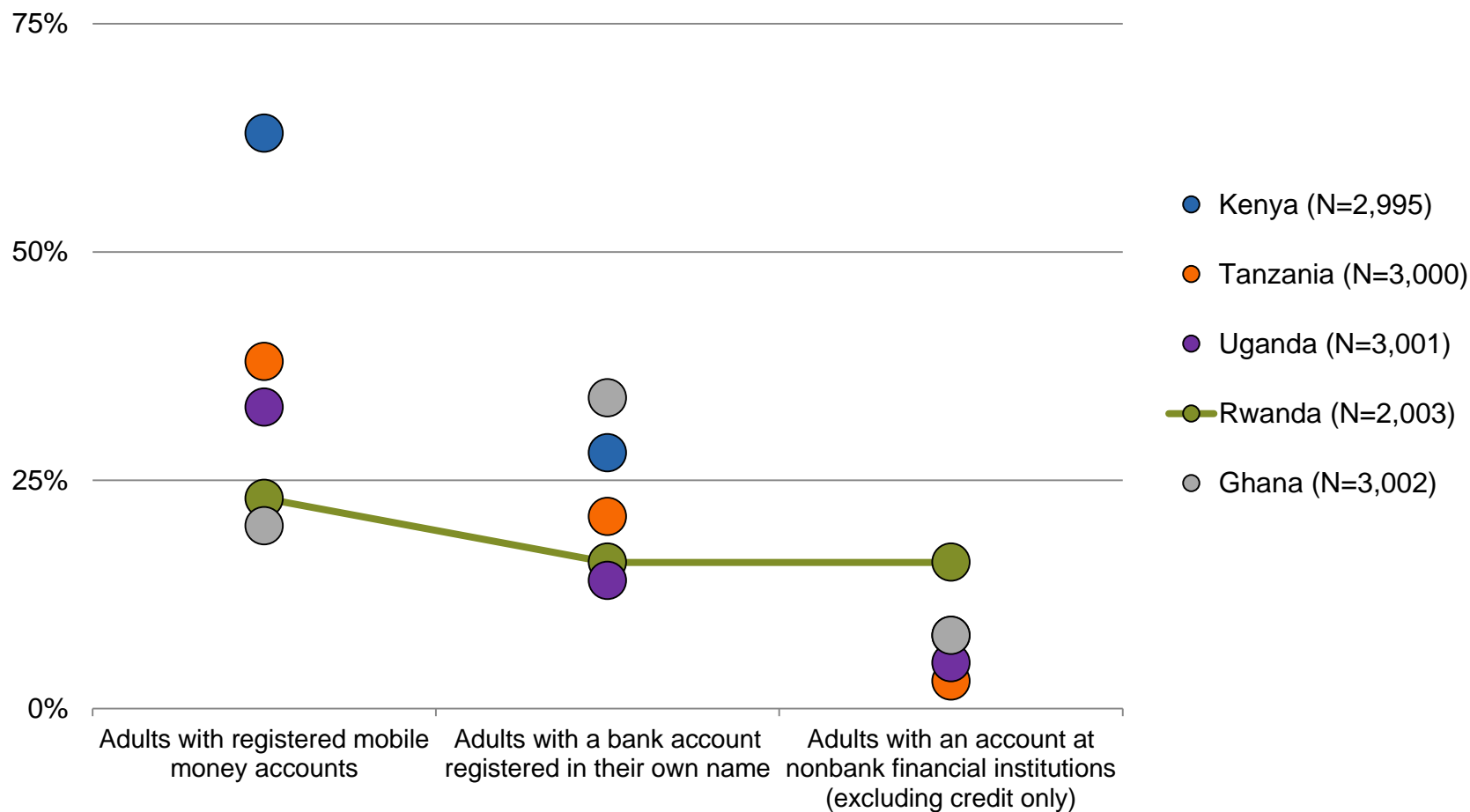
Rwanda ranks high in terms of ID ownership, but low in terms of mobile phone ownership and technical skills compared with neighboring countries



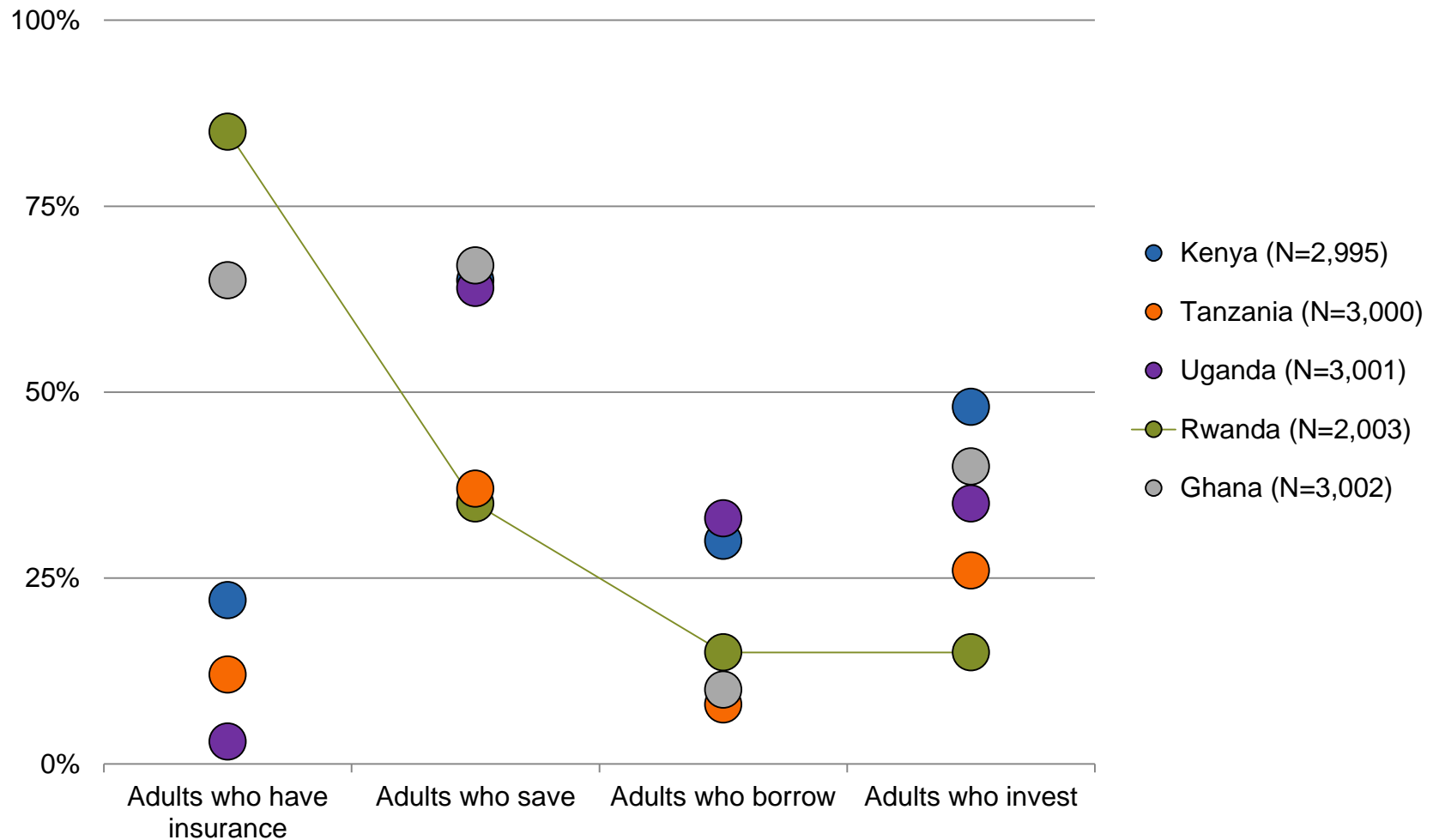
## Rwanda ranks lower on use, active use and ownership of financial accounts compared with other FII countries in the region



Rwanda is ahead in terms of NBFIs account registrations (due to high penetration of Umurenge SACCOs), but behind in reported ownership of bank and mobile money accounts

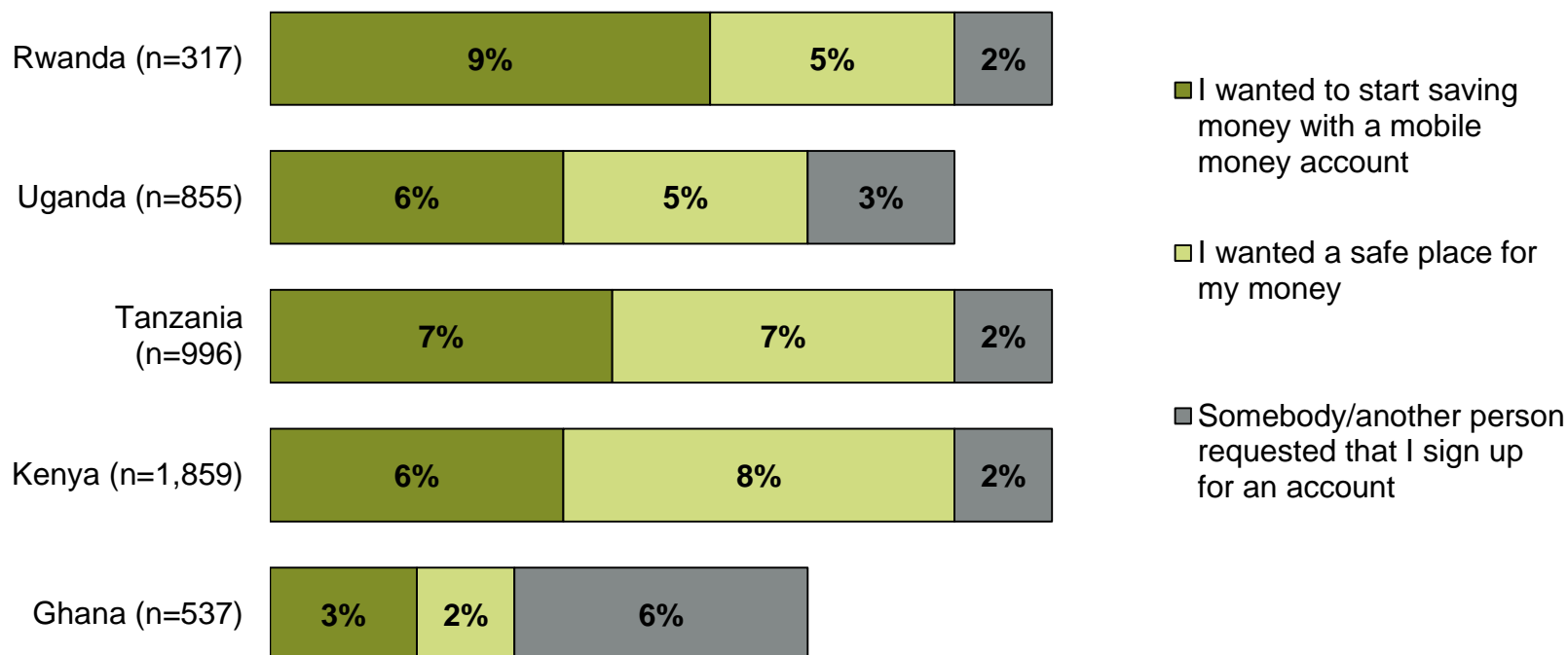


## Rwandans report the highest rate of insurance ownership among the five FII African countries



The need for a reliable savings instrument is an important trigger for opening mobile money accounts in Rwanda, and other countries in the region

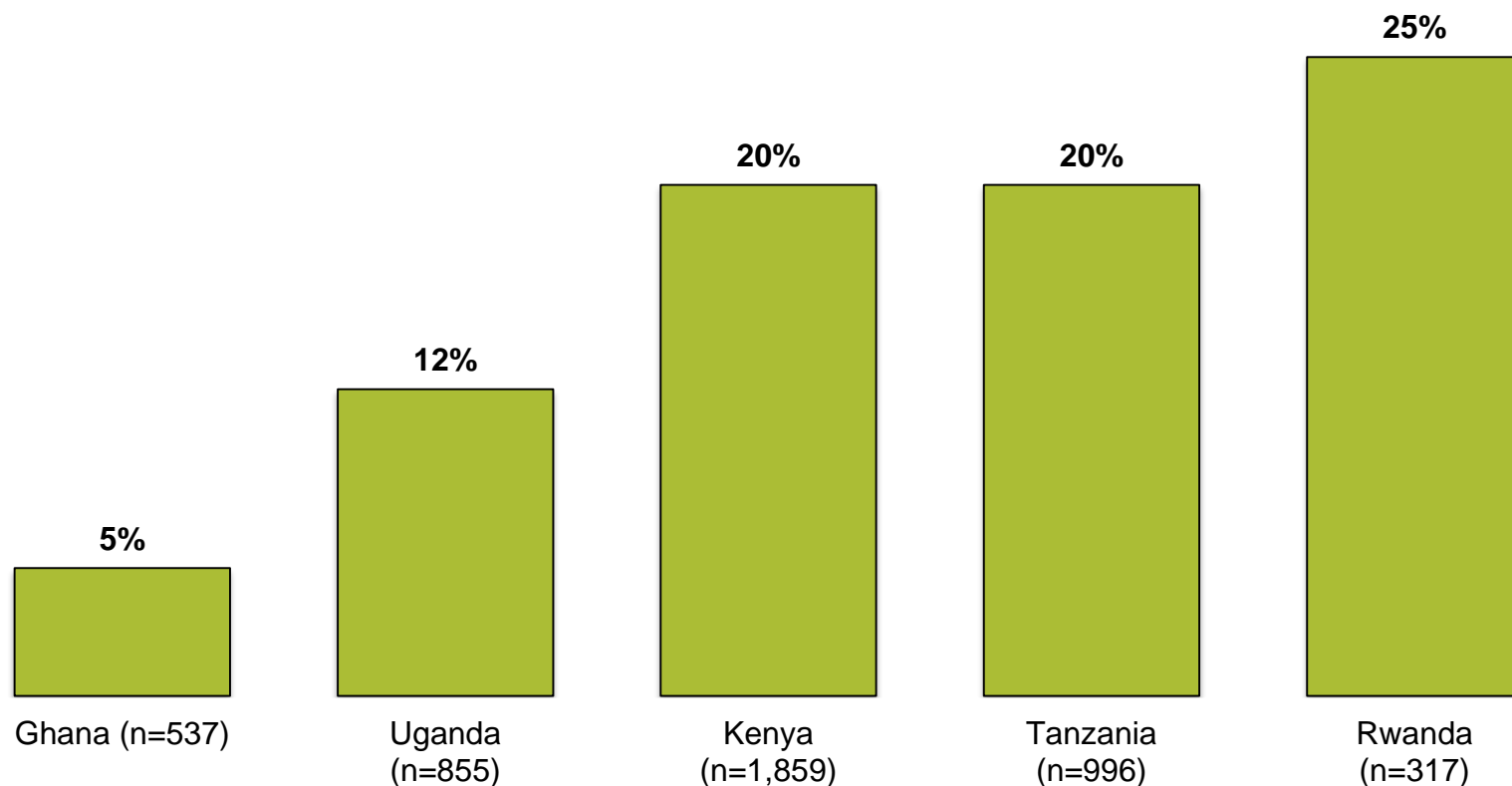
### Percentage of active mobile money account holders



Rwandan active mobile money account holders are ahead of those in all other FII countries in using their mobile money accounts to pay bills

**Percent of active mobile money account holders who use their accounts to pay bills**

(Shown: Percentage of active mobile money account holders)





Use of active bank accounts for advanced activities is modest;  
this is similar to other FII countries in the region

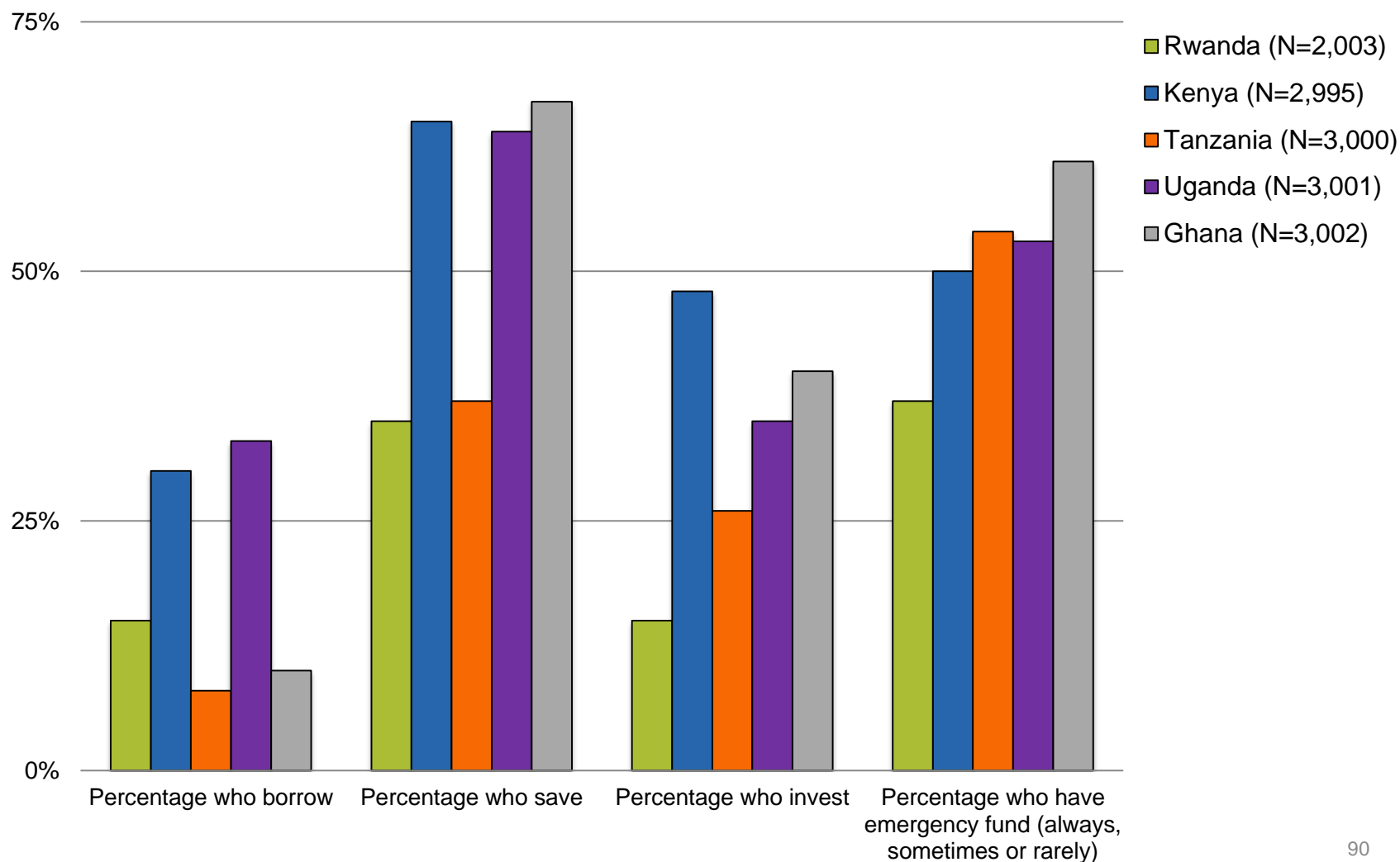
### Top uses for a bank account

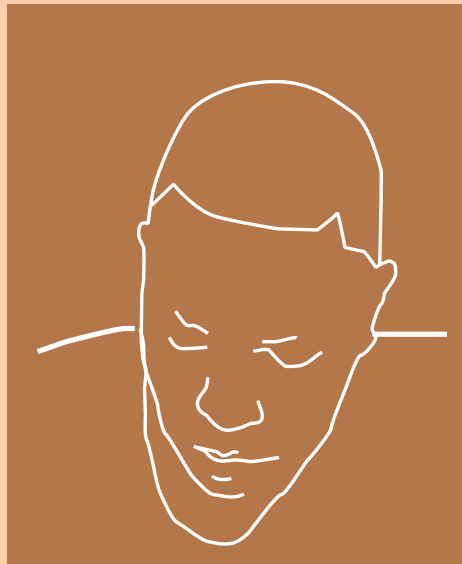
(Shown: Percentage of active account holders)

	Ghana (n=751)	Kenya (n=666)	Tanzania (n=483)	Uganda (n=328)	Rwanda (n=200)
Withdraw money	96%	96%	38%	97%	<b>97%</b>
Deposit money	93%	92%	37%	90%	<b>89%</b>
Send/receive P2P transfers	37%	36%	11%	26%	<b>15%</b>
Receive wages	13%	34%	5%	23%	<b>15%</b>
Bill pay*	15%	44%	14%	33%	<b>14%</b>
Save/set aside money*	16%	47%	3%	22%	<b>8%</b>

\*Advanced uses

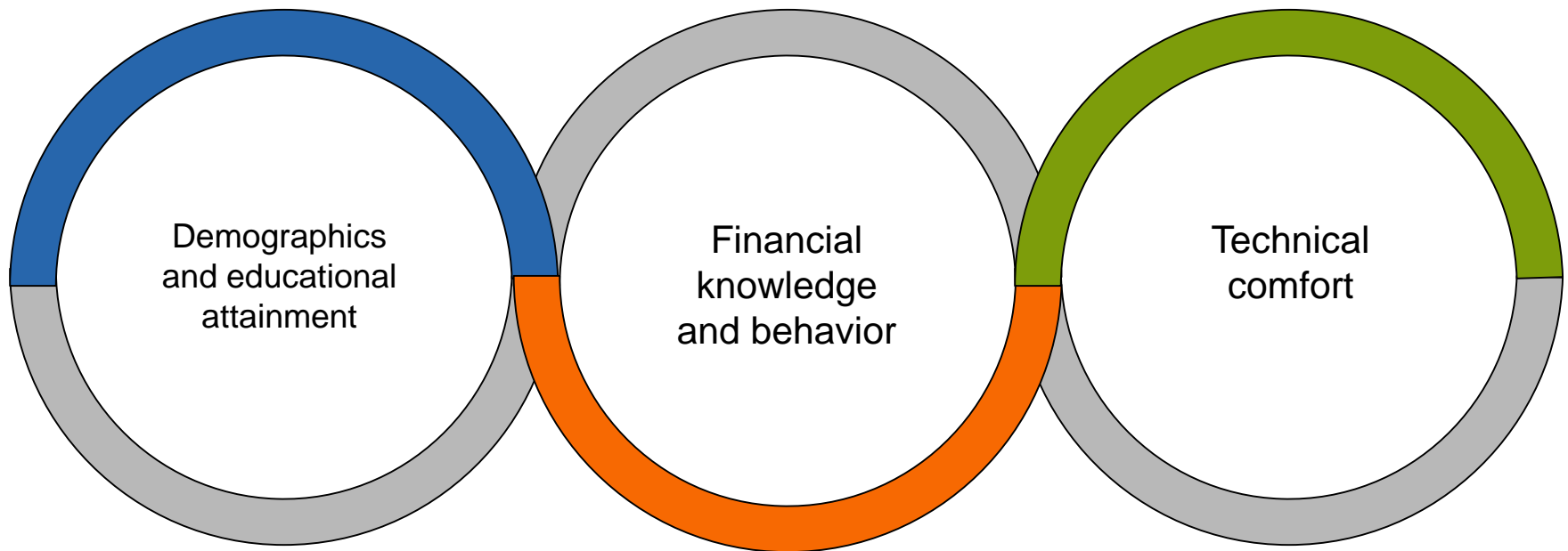
Rwandans are reasonably active in borrowing and emergency preparedness and might be compelled to use financial products aligned with these activities, including an emergency-preparedness savings product, if they were offered





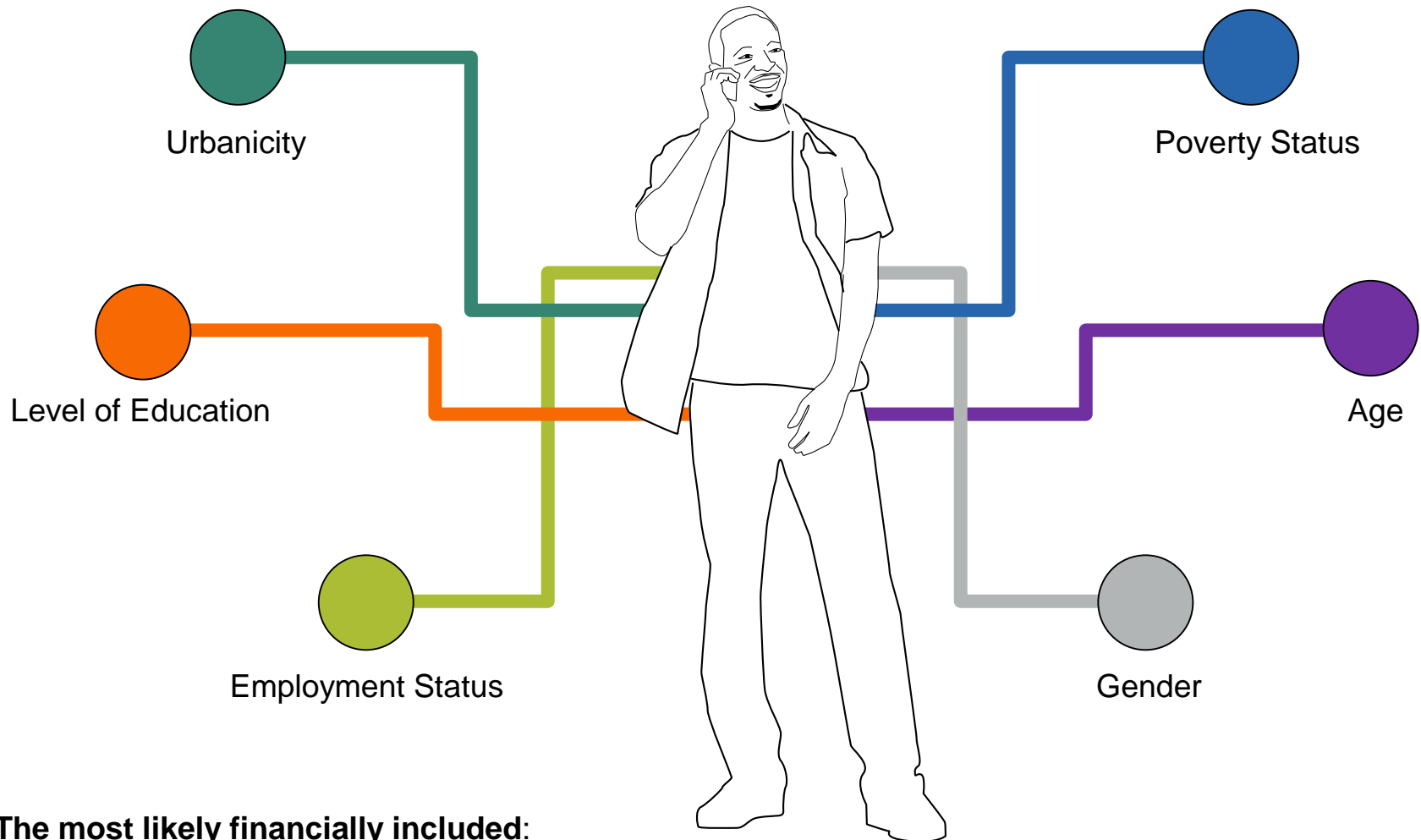
# User Segmentation

There are three factors that might predict the use of digital financial services



Technical comfort is defined as a combination of skills necessary to conduct activities on a mobile phone and the confidence to conduct such activities independently and on a regular basis.

# A combination of six demographic characteristics predicts active mobile money usage and account ownership



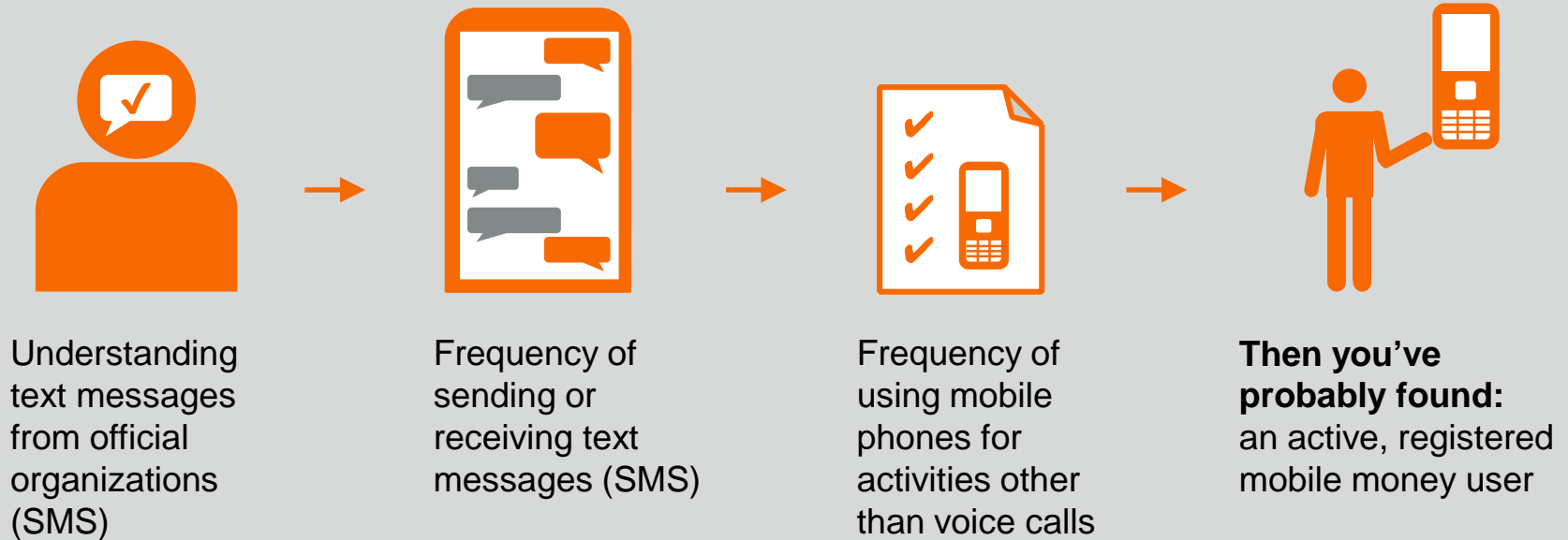
## **The most likely financially included:**

Younger Rwandan men (younger than 35 years old) in urban areas, above the poverty line, better educated and employed

# The use of mobile phones for text messaging is a strong predictor of active mobile money use

## When controlling for:

Gender, wealth, education, age, employment status and urbanicity



# Income budgeting and focus on savings are strong indicators of a propensity to use mobile money

## When controlling for:

Gender, wealth, education, urbanicity, and access to a mobile phone



### If the potential user has either:

- Sufficient income to avoid borrowing
- A high numeracy score



### And either:

- Saves at formal financial institutions (bank or MM)
- Saves at informal financial institutions (VSLA, ROSCA, other people)



**Then you've probably found:**  
an active, registered mobile money user

High numeracy scores, the ability to budget income without having to borrow, as well as saving at formal or informal financial institutions are strong predictors that a person will be an active mobile money account holder.

This suggests an opportunity to promote mobile money to those who save with banks, SACCOs, MFIs or informal savings groups.

# Six consumer groups were identified based on type of mobile money use/nonuse



## **Active account holders**

- Have a mobile money account registered in their names
- Used this account for at least one transaction in the 90 days prior to the survey



## **Aware nonusers**

- Do not use mobile money
- Can recall at least one provider of the services



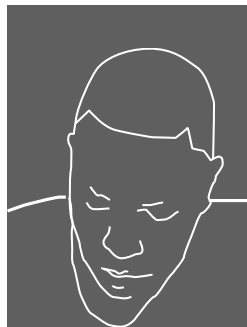
## **Unregistered users**

- Use mobile money services through somebody else's account, including through an agent's account (OTC services), or the accounts of their friends, relatives, neighbors, or others



## **Inactive account holders**

- Have a mobile money account registered in their names
- Used this account more than 90 days prior to the survey



## **Unaware nonusers**

- Do not use mobile money
- Cannot name any service providers



## **Super users**

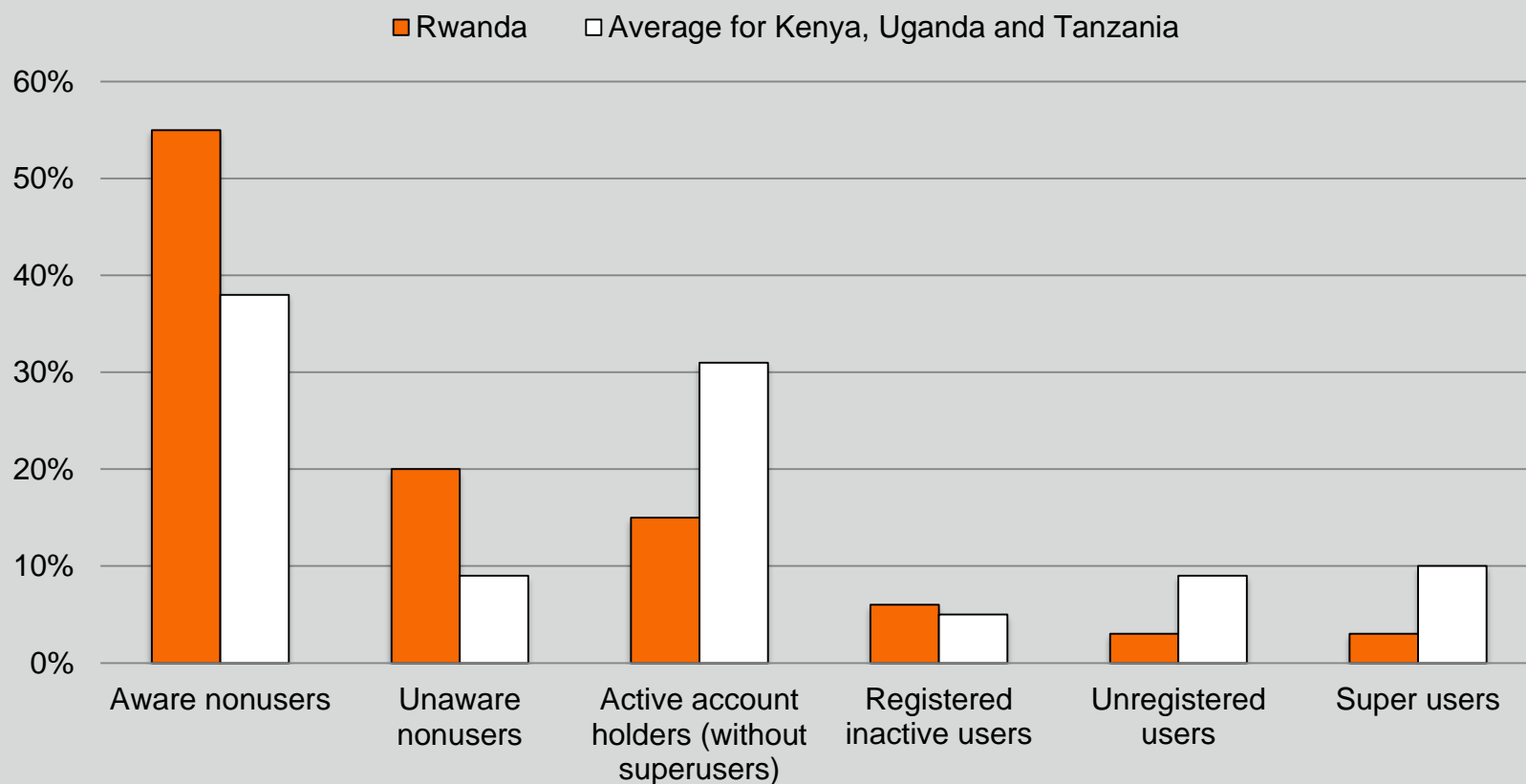
- Have a mobile money account registered in their names
- Use this account at least once a week
- Make at least one beyond-basic-wallet transaction (excluding CICO, airtime top-ups and P2P)



Aware nonusers constitute just over half of the Rwandan population; super users and unregistered users are not common

### Segments of mobile money users and nonusers

(Shown: Percentage of all adults, N=2,003)



Rural/remote location, the lack of basic literacy and the lack of mobile phones are key differentiating factors in the likelihood of becoming an active registered user and/or super user\*

	<b>Active registered user, including super users</b> (n=317)	<b>Aware nonusers</b> (n=1,086)	<b>Unaware nonusers</b> (n=401)
% women	38%	55%	63%
% rural	61%	88%	92%
% younger than 35 years old	70%	65%	42%
% living below the poverty line	72%	93%	97%
% with basic literacy	91%	71%	42%
% with basic numeracy	97%	88%	71%
% who have a mobile phone	95%	40%	16%

\*Only the users/nonuser groups with a sufficient number of cases (n>50) are shown.

Active registered users are more active in all aspects of their financial lives when compared with any of the other consumer groups\*

	Active registered users, including super users (n=317)	Aware nonusers (n=1,086)	Unaware nonusers (n=401)
% have a job (regular, self-employed or occasional assignments)	68%	58%	49%
% have a bank account	43%	10%	5%
% have an account with semi-formal FIs	30%	18%	10%
% borrow money	25%	14%	5%
% save	58%	33%	13%
% have emergency fund, even if rarely	49%	38%	14%
% have insurance	92%	85%	74%
% have investment	24%	14%	7%

\*Only the segments with a sufficient number of cases (n>50) are shown.

# Glossary of terms

**Access** – Access to a bank account or mobile money account means a respondent can use bank/mobile money services either via their own account or via an account of another person.

**Active account holder** – An individual who has a registered DFS account and has used it in the last 90 days.

**Active user** – An individual who has used any DFS for any type of transaction in the past 90 days via his/her own account or somebody else's account.

**Adults with DFS access** – Adults who either own a DFS account or have access to someone else's account.

**Below the poverty line** – In this particular study, adults living on less than \$2.50 per day, as classified by the Grameen PPI.

**Digital financial services (DFS)** – Financial services that are provided through an electronic platform (mobile phones, electronic cards, the internet, etc.). For this particular study, digital financial services include bank services and mobile money services.

**Grameen Progress out of Poverty Index (PPI)** –

A poverty measurement tool from the Grameen Foundation wherein a set of country-specific questions are used to compute the likelihood that a household is living below the poverty line.

**Lapsed registered/non-registered user** – An individual who has used DFS on their own or via somebody else's account, but has not done so in the last 90 days.

**Mobile money (MM)** – A service in which a mobile phone is used to access financial services.

**Registered active user** – A person with a registered DFS account that has used it in the last 90 days.

**Urban/rural** – Urban and rural persons are defined according to their residence in urban or rural areas as prescribed by the national bureau of statistics.

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