

Mobilizing savings in Zimbabwe

Mahindra Comviva, March 2014

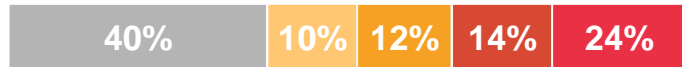
EcoCash \$ave

Performance snapshot

- Service **launched on October 9, 2013**
- **1.04 million registered customers** in 4 months, compared to 0.69 million depositors in all commercial banks
 - *12% of Econet Wireless customers have registered for the service*
 - *32% of EcoCash customers have registered for the service*
 - *149% increase in number of depositors per 1000 adults from 87 to 217*
- EcoCash \$ave is available to 9 million Econet Wireless customers, representing **69% of the total adult population**
- **121% increase in EcoCash payroll transactions** between October 2013 and January 2014

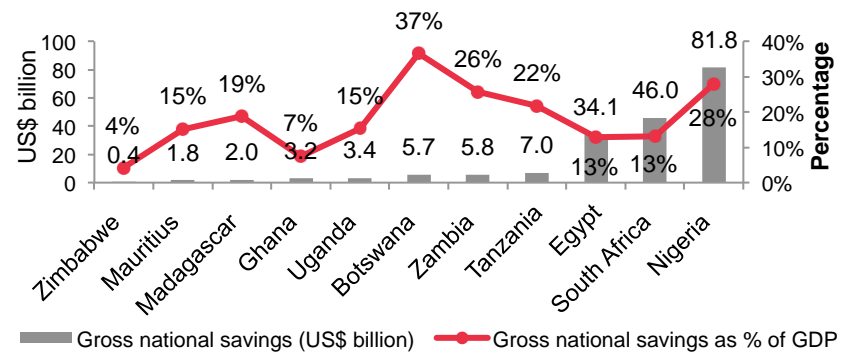
Zimbabwe financial landscape

Financial landscape Zimbabwe



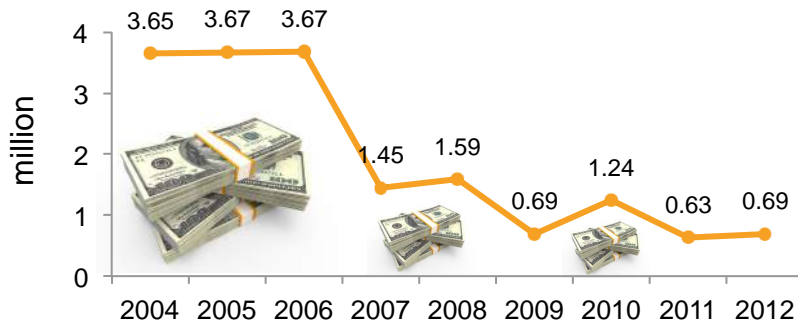
Financially excluded
 Use informal financial services
 Ex-banked using informal financial services
 Adults with bank account
 Use non-bank formal financial services

Gross national savings

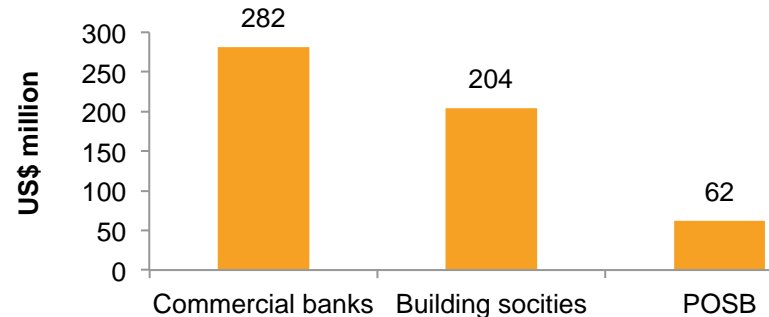


- Zimbabwe has one of the lowest gross national savings in Africa
- 81% decline in number of depositors with commercial banks between 2004 and 2012
- Deposits are predominantly short-term in nature

Zimbabwe number of depositors with commercial banks (million)

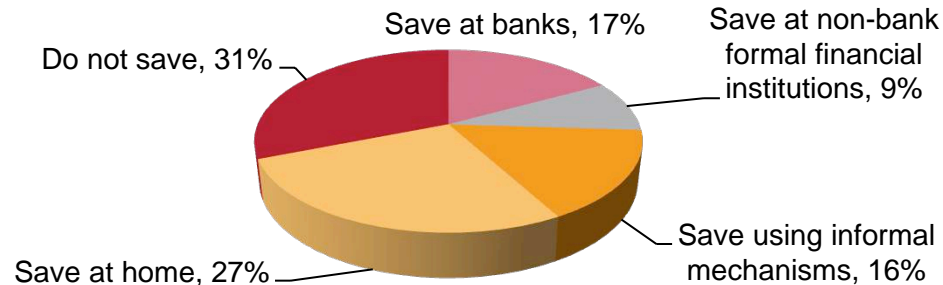


Zimbabwe savings deposits (US\$ million)



Barriers to formal savings

Zimbabwe savings profile of people (% of adult (15+) population)



Poor banking infrastructure

541 commercial bank branches (1.45 per 1000 km²) and 347 ATMs (0.97 per 1000 km²)



People, especially in rural areas, have to travel for 1 to 4 hours to reach nearest bank branch

Tedious account opening process

3 documents (identity proof, residence proof, income proof) and US\$ 100 required to open a bank account



For 84% population working in the informal sector producing an income proof is difficult

High operating cost

Customers need to maintain a minimum balance of US\$ 100 and pay maintenance fee (US\$ 5) monthly to operate a bank account



72.3% of the population (9.5 million people) earn approx. US\$ 3.6 per day – cannot afford to spend 13% of their annual salary to operate a bank account

Poor returns on low savings

No interest on deposits of less than US\$ 800



US\$ 696 is the average balance per customer in savings account – most customers do not earn any interest

EcoCash \$ave – Mobilizes savings

- EcoCash \$ave is an easy to use micro-savings product targeted at 3.3 million EcoCash customers
- Service launched by Zimbabwe 's largest operator Econet Wireless in partnership with Steward Bank
- EcoCash customer do not need to submit any documentation to open an account
- Non-EcoCash customers need to register for the service before opening a savings account
- Single click money transfer from EcoCash to EcoCash \$ave account
- Daily transaction limit of US\$ 1,000

	Commercial Banks	EcoCash \$ave
Number of depositors	686,680 (total for all commercial banks)	900,000
Account opening fee	US\$ 100	US\$ 0
Number of documents required	3 (identity proof, residence proof, income proof)	0 (for existing EcoCash user)
Monthly maintenance fee	US\$ 5	US\$ 0
Minimum balance required to get interest	US\$ 800	US\$ 1
Average interest on US\$ 100	2%	4%*



1 Dial *151*200# and enter your PIN

2 Select option - EcoCash\$ave

3 Select option - Open Account

4 Select option - Deposit Money

5 Enter amount Minimum is \$1

6 Confirm amount All done!

Simple 6 step process to open and use EcoCash \$ave account

Targets a wide customer demographic



Low income unbanked population

- 9.5M people or 72.3% of Zimbabwe's population earn approx. US\$ 3.6 per day
- Small size of savings and high costs to open and maintain a bank account restrict low income segments from saving in banks
- EcoCash mobilizes micro-savings from low income population into formal banking system by allowing customers to save and earn interest amounts as low as US\$1



Self employed professionals

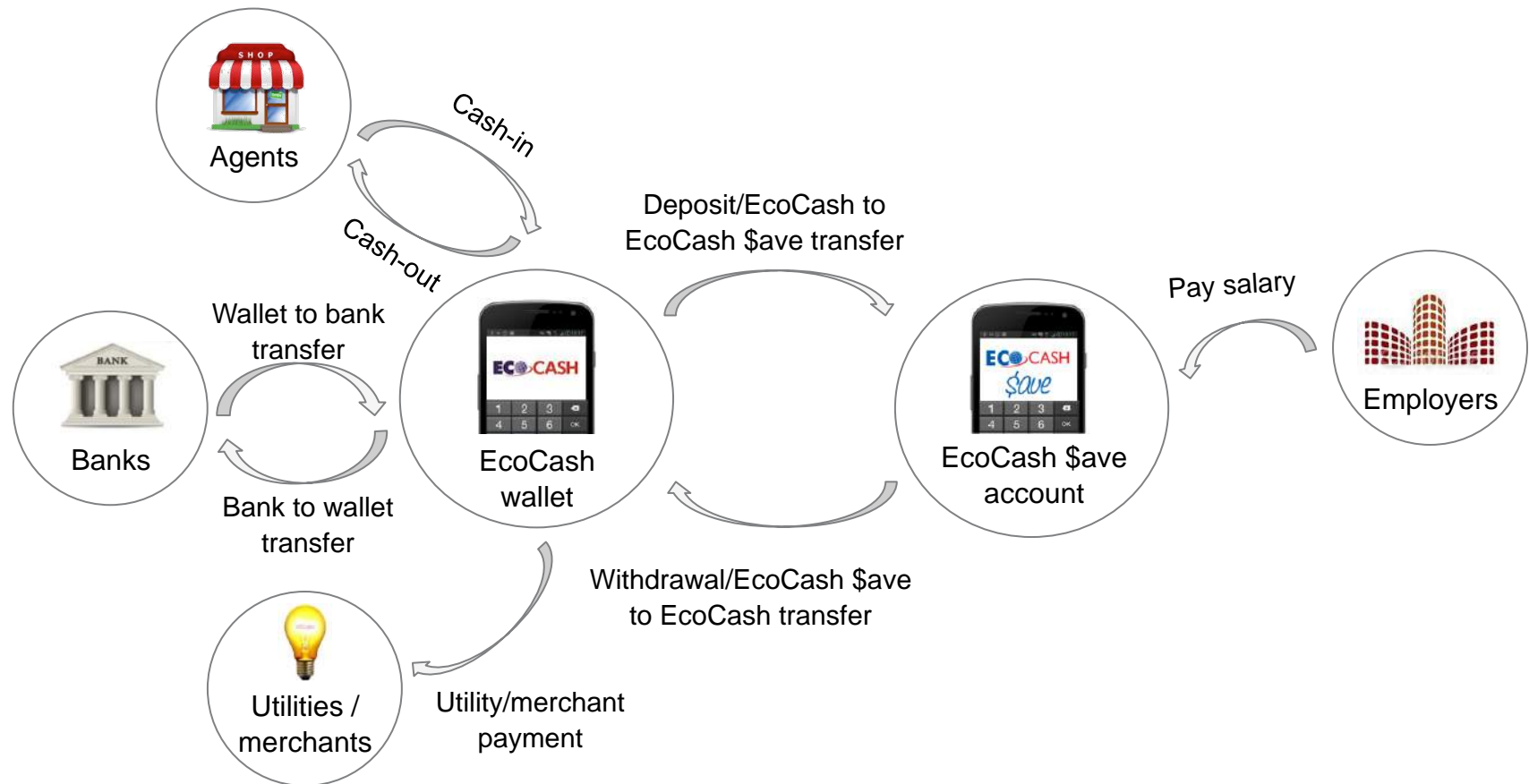
- 72% of SME business owners save primarily at home using informal mechanisms
- EcoCash \$ave enables SMEs to save their money in a simple low cost savings account and earn interest



Enterprises

- 6 million people in Zimbabwe receive salary in cash
- EcoCash allows employers to use EcoCash \$ave for paying salaries
- A construction company for instance that pays weekly wages can use EcoCash Payroll to pay weekly wages into employees' EcoCash \$ave accounts

Designed to retain money in an electronic format



- Launched payroll services that allows companies to transfer salary directly to EcoCash \$ave account
- Integrated banking product improves product utility and encourages higher usage

Aggressive marketing to drive service uptake

Your phone is your bank

ECO CASH\$ave

Saving money made easier

Another First!

Save money the EcoCash way

ECO CASH\$ave

Your phone is your bank - Foni yako nda-e bank racho - I foni yakho piya Bank

- ✓ No documents are required
- ✓ No questions are asked
- ✓ No time is wasted in queues
- ✓ No money is wasted on charges

A penny saved is a penny earned

my piggy-bank on my phone

- EcoCash receives 45% of total marketing budget outlay
- Focus on educational messages stressing on importance of micro-savings and simple process to open an EcoCash \$ave account

ECO CASH\$ave

20 FREE SMSs

When you open an EcoCashSave account

- Freebies to drive service registration

SAVE MONEY THE ECOCASH WAY AND STAND A CHANCE TO WIN BIG

waya waya PROMOTION

100 x \$1,000 GRAND PRIZE

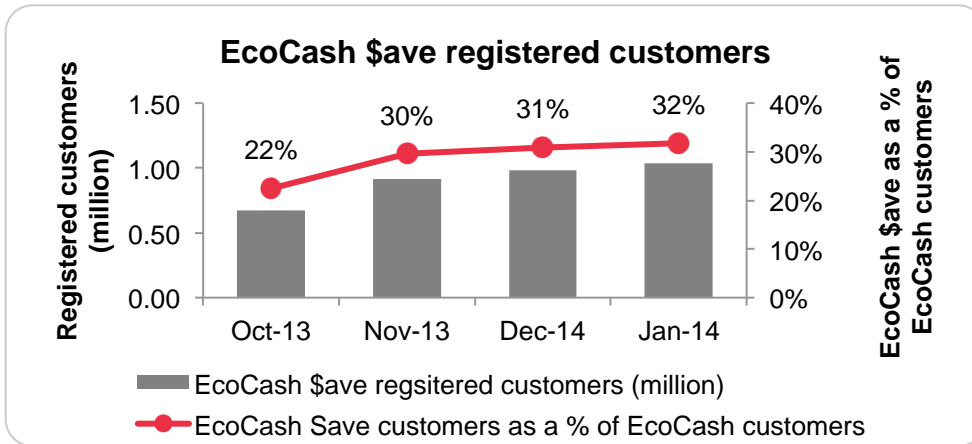
1,000 x \$100 MONTHLY PRIZES

ECO CASH\$ave

For every \$5 you keep in your EcoCashSave account, you gain another entry into the draw

- US\$ 400,000 to be distributed in call-to-action promotion

Results and customer feedback



- Mobilizes deposits from 1.04 million customers compared to 0.69 million depositors in all commercial banks
- 20% increase in monthly float



Conference Maminya, Market Vendor: *Before EcoCash \$ave I used to take my money home with me. But then I was always afraid of getting robbed and my money was also being spend impulsively. But when EcoCash \$ave came I realized that I can now keep my money secure*
<http://www.youtube.com/watch?v=myH5T6pgiMQ>

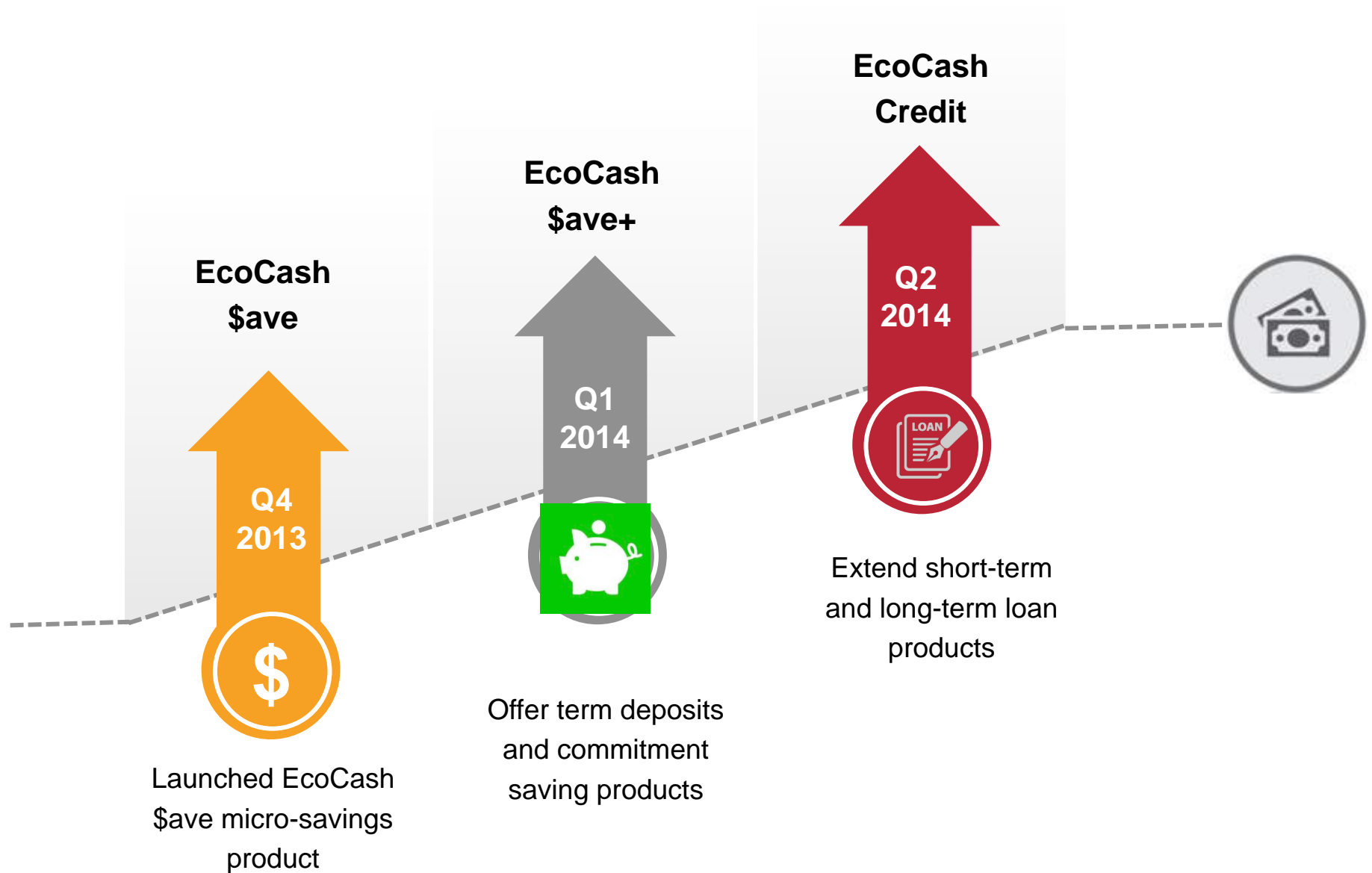


Auxillia Chirairo: *No one in my family ever had a bank account. I am actually the first to open one. Now I save the money that I earn from the small jobs that I get right here in my phone while I earn interest*
<http://www.youtube.com/watch?v=CetcxS58KJg>

Talkmore Ndatya, Gardner: *I had grown weary of digging my money underground in a clay pot where it earned no interest. Thanks to EcoCash I finally opened an account without a payslip. You can actually save money and earn interest*
<http://www.youtube.com/watch?v=e4zVYAVFK3Y>

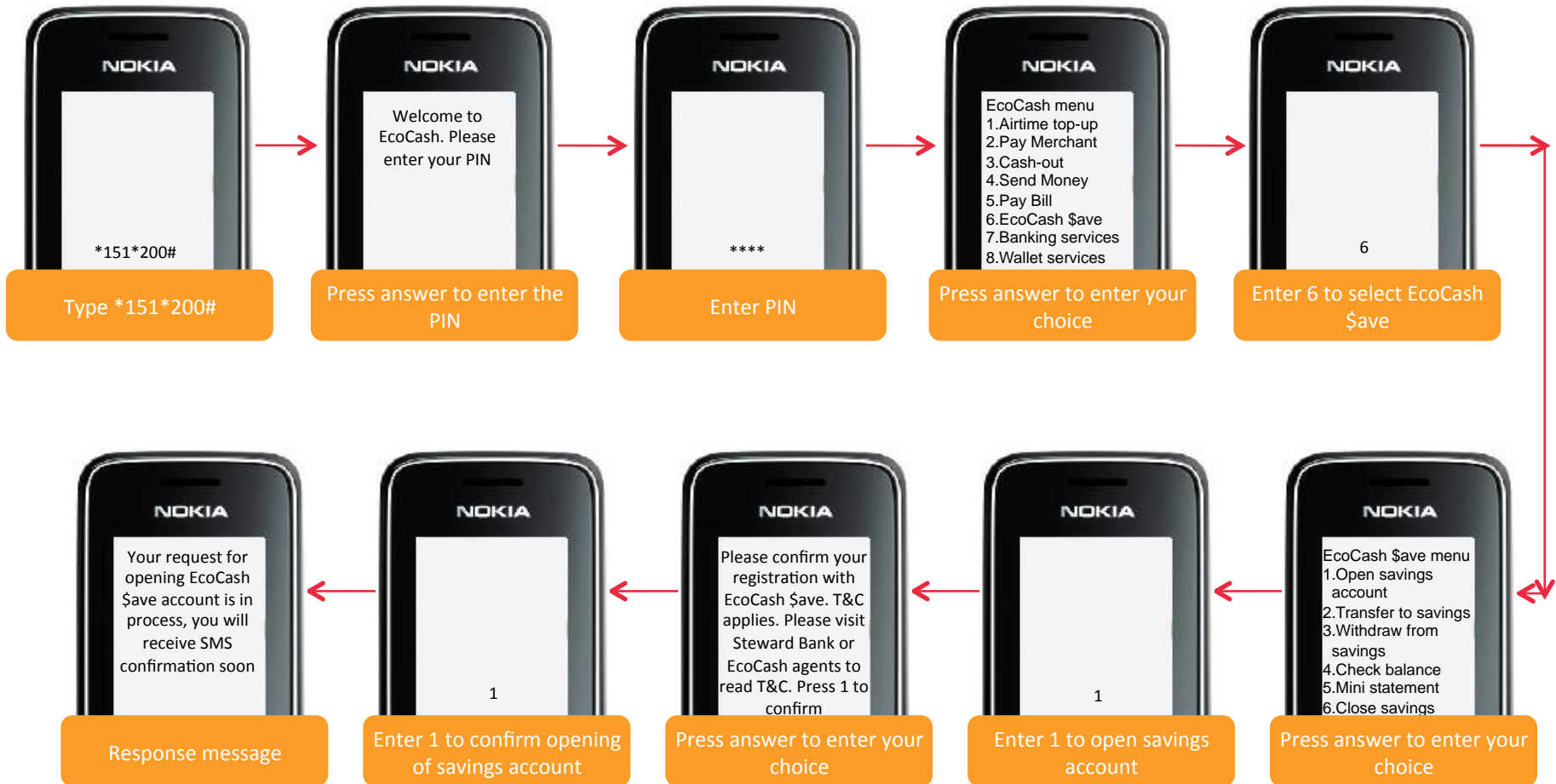


Evolve to offer loans and time deposits

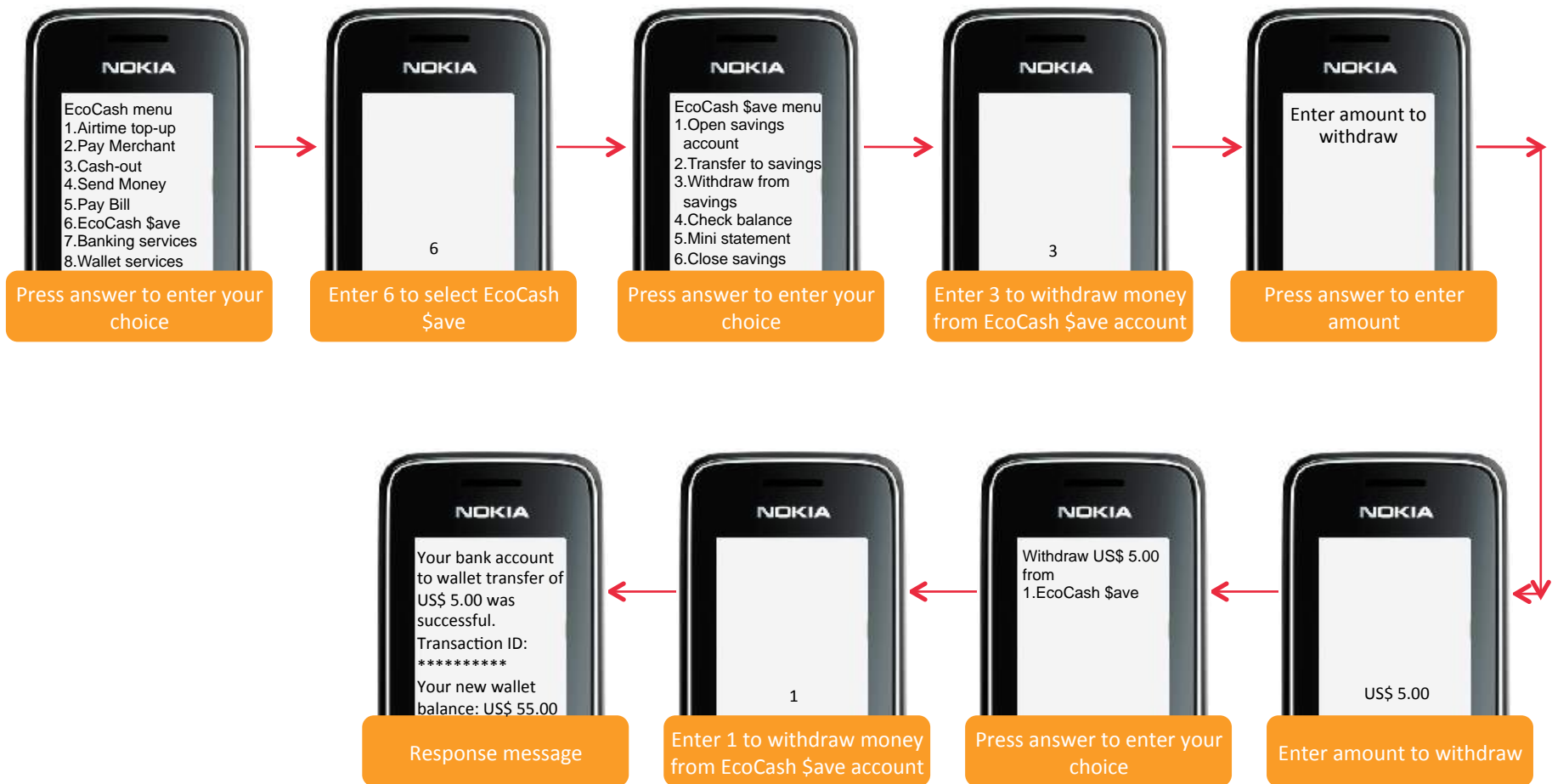


EcoCash \$ave App

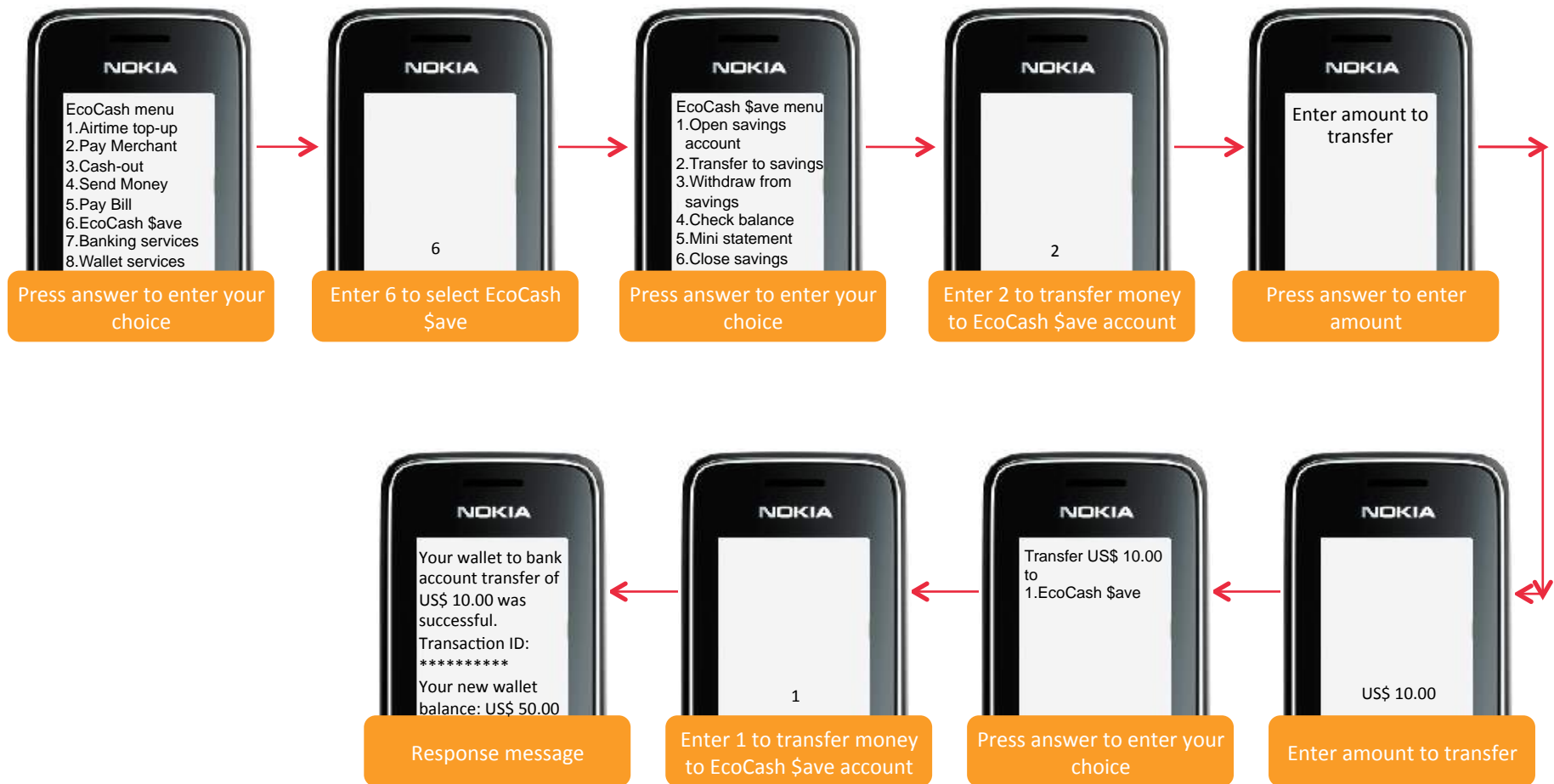
Account registration



Account withdrawal



Account deposit



EcoCash \$ave Service Flows

Account registration

Customer



mobiquity™ platform



Steward Bank Core Banking system (CBS)



- 1
 - Invokes EcoCash app menu and selects open savings account option
 - Accepts terms and conditions and confirms request

- 2
 - Receives registration request and forwards it to bank's CBS along with customer details

- 3
 - Receives registration request
 - Creates a savings account for customer
 - Confirms customers registration to mobiquity™

- 4
 - Sends successful registration message to customer

- 5
 - Receives successful registration message

Account deposit

Customer

mobiquity™ platform

Steward Bank Core Banking system (CBS)



1 ▪ Invokes EcoCash app and selects Transfer to Savings

▪ Enters amount to be transferred

2 ▪ Receives deposit request and forwards it to CBS

4 ▪ Debits EcoCash wallet
▪ Sends SMS confirming deposit

3 ▪ Receives request

▪ Credits EcoCash \$ave account

▪ Sends credit confirmation to mobiquity™

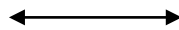
5 ▪ Receives message confirming successful deposit

Account withdrawal

Customer

mobiquity™ platform

Steward Bank Core Banking system (CBS)



- 1
 - Invokes EcoCash app and selects withdraw from savings
 - Enters amount to be withdrawn from savings

- 2
 - Receives withdraw request and forwards it to bank's CBS

- 3
 - Receives request
 - Debits EcoCash \$ave account
 - Sends debit confirmation to mobiquity™

- 4
 - Credits EcoCash wallet
 - Sends message confirming successful withdraw

- 5
 - Receives message confirming successful withdraw

Thank you

Visit us at www.mahindracomviva.com

Disclaimer

Copyright © 2014: Comviva Technologies Ltd, Registered Office at A-26, Info City, Sector 34, Gurgaon-122001, Haryana, India.

All rights about this document are reserved and shall not be, in whole or in part, copied, photocopied, reproduced, translated, or reduced to any manner including but not limited to electronic, mechanical, machine readable, photographic, optic recording or otherwise without prior consent, in writing, of Comviva Technologies Ltd (the Company).

The information in this document is subject to changes without notice. This describes only the product defined in the introduction of this documentation. This document is intended for the use of prospective customers of the Company Products Solutions and or Services for the sole purpose of the transaction for which the document is submitted. No part of it may be reproduced or transmitted in any form or manner whatsoever without the prior written permission of the company. The Customer, who/which assumes full responsibility for using the document appropriately. The Company welcomes customer comments as part of the process of continuous development and improvement.

The Company, has made all reasonable efforts to ensure that the information contained in the document are adequate, sufficient and free of material errors and omissions. The Company will, if necessary, explain issues, which may not be covered by the document. However, the Company does not assume any liability of whatsoever nature, for any errors in the document except the responsibility to provide correct information when any such error is brought to company's knowledge. The Company will not be responsible, in any event, for errors in this document or for any damages, incidental or consequential, including monetary losses that might arise from the use of this document or of the information contained in it.

This document and the Products, Solutions and Services it describes are intellectual property of the Company and/or of the respective owners thereof, whether such IPR is registered, registrable, pending for registration, applied for registration or not.

The only warranties for the Company Products, Solutions and Services are set forth in the express warranty statements accompanying its products and services. Nothing herein should be construed as constituting an additional warranty. The Company shall not be liable for technical or editorial errors or omissions contained herein.

The Company logo is a trademark of the Company. Other products, names, logos mentioned in this document, if any, may be trademarks of their respective owners.

Additional links

- **EcoCash \$ave TVC video**

<http://www.youtube.com/watch?v=wnws1xtXB2M>

- **EcoCash \$ave deposit video**

<http://www.youtube.com/watch?v=QiXld7UwBPk>

- **EcoCash \$ave withdrawal video**

<http://www.youtube.com/watch?v=9LB5Fvf8zqY>