

CÔTE D'IVOIRE

ANALYTICAL REPORT

Fieldwork Conducted August - October 2017

October 2018

PUTTING THE USER FRONT AND CENTER

The Financial Inclusion Insights (FII) program responds to the need identified by multiple stakeholders for timely demand-side data and practical insights into digital financial services (DFS), including mobile money, and the potential for their expanded use among the poor.

The FII team implements nationally representative population surveys and qualitative research studies to:

- **Track access to and demand** for financial services, especially DFS;
- **Measure adoption and use** of DFS among key underserved groups (females, poor, rural, 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 based on rigorous data** to support product and service development and delivery.

The FII program is managed by InterMedia. Visit the FII Resource Center to learn more:
www.finclusion.org.

KEY DEFINITIONS

Access to a bank – Counts individuals who use a full-service bank account either registered in their name or held by someone else.

Access to mobile money or an NBFi – Counts individuals who have ever used a mobile money service or a full-service NBFi.

Access & trial – Counts individuals who have a bank account registered in their name or use a bank account that is registered to someone else, or have ever used a mobile money service, or have ever used a full-service NBFi.

Active registered user – An individual who has an account registered in their name with a full-service financial institution and has used it in the last 90 days.

Advanced user – An active registered user who has ever used their account for saving, borrowing, insurance, investment or paying bills.

Airtime – Minutes of talk time available on a mobile phone. Airtime top-up (adding minutes) is a basic mobile money activity, but is considered an advanced bank or NBFi activity.

Basic use – Cash-in (deposit) or cash-out (withdraw), transfer money to another individual, or conduct account maintenance.

Below the poverty line – In this particular study, adults living on less than \$2.50 per day in 2005 purchasing power parity U.S. Dollars, as classified by the [Poverty Probability Index](#).

Confidence interval (95%) – The range of values within which the observed value of a statistic will be found in 95 out of 100 repeat measurements.

Cooperative – Typically, a business or other professional organization that is owned and run jointly by its members, who share profits or benefits. Cooperatives may release some of the profits/funds as loans to its members.

Customer journey – A series of progressive stages through which individuals become more active users of more sophisticated financial services.

Digital financial inclusion – Counts individuals who have an account in their name with a full-service financial institution that offers digital services (e.g., online account access, debit/ATM card, credit card, electronic cash transfers).

Digital financial services (DFS) – Financial services provided through an electronic platform (e.g., mobile phones, debit or credit electronic cards, internet).

Digital stored-value account – A mobile money account or a full-service bank or NBFi account that offers digital services.

Financial inclusion – Individuals who hold an account with an institution that provides a full suite of financial services and comes under some form of government regulation.

Financial literacy – Basic knowledge of four fundamental concepts in financial decision making (interest rates, interest compounding, inflation, and risk diversification) as measured by the Standard and Poor's Rating Service's Global Financial Literacy Survey.

Financial numeracy – Numeracy skills required to independently complete a financial transaction on a mobile phone without committing user error.

Full-service financial institutions – Financial institutions that offer loans to their customers and at least one of the following additional services: savings, money transfers, insurance, or investments.

Microfinance institution (MFI) – An organization that offers financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services.

Mobile money (MM) – A service that allows a mobile phone to be used for storing and transferring money, and potentially accessing other financial services.

Nonbank financial institution (NBFi) – A financial organization that is not formally licensed as a bank or a mobile money provider, but whose activities are regulated, at least to some extent, by the central bank within the country. Such financial institutions include microfinance institutions (MFIs), cooperatives, Post Office (Savings) Banks and savings and credit cooperatives (SACCOs), etc.

Post Office (Savings) Bank – A bank that offers savings and money transfers and has branches at local post offices.

Poverty Probability Index (PPI) – A measurement tool wherein a set of country-specific survey questions are used to compute the likelihood that an individual's income is below a specific threshold.

Registered user – Counts individuals who have a financial account registered in their name or registered jointly in their and someone else's name.

Tontine groups – A savings group that collects money from each member and gives it to one person in turns.

Unregistered/over-the-counter (OTC) user – An individual who has used a financial service through someone else's account, including a mobile money agent's account or the account of a family member or a neighbor.

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.

Value-added services – These are non-core financial services that go beyond the standard services provided by financial institutions.

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FINANCIAL INCLUSION OVERVIEW

UNDERSTANDING FINANCIAL INCLUSION

What is financial inclusion?

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way (*The World Bank*). Financially included individuals are those who have an account in their name with a formal financial institution.

How is it measured?

We measure financial inclusion as the percentage of adults (15+ years old) who report having at least one account in their name with an institution that offers a full suite of financial services, and comes under some form of government regulation.

How is it created?

Financial inclusion is created through the uptake and use of individual accounts with institutions that offer a full suite of financial services – savings, credit, money transfers, insurance and investment. Full-service financial institutions include banks, mobile money service providers, and nonbank financial institutions, such as deposit-taking microfinance institutions (MFIs) and financial cooperatives.

What institutions and services do not count?

Individuals who own accounts with institutions that are not full service, such as credit-only microfinance institutions (MFIs), are not considered financially included. Individuals who do not have their own full-service account or use someone else's account are not considered financially included. Individuals who only use services such as money guards, savings collectors, and digital recharge cards that are not attached to a bank or MFI account are also considered financially excluded.

COUNTRY CONTEXT

After witnessing years of political turmoil, Côte d'Ivoire has emerged as one of Africa's fastest growing and most resilient economies propelled by political reform, improved security, a strongly performing primary and energy sector, increased domestic consumption of goods, and a National Development Plan focused on inclusive growth. However, despite the cessation of civil conflict, Côte d'Ivoire is still susceptible to political instability that can affect the macroeconomic environment and hinder overall financial inclusion.

- **Since 2012 Côte d'Ivoire has maintained a strong economy, registering high GDP growth rates that have triggered a reduction in poverty.** Strong economic growth is expected to continue; the African Development Bank projects that real GDP growth will reach 7.9% in 2018 and 7.8% in 2019. Growth is driven, among other factors, by a strong performing primary and energy sector, and increased domestic consumption.
- According to the World Bank, between 1985 and 2011, the depth and severity of poverty increased considerably, moving from approximately 10% to 51% of the population. However, the findings of the Living Standards Monitoring Survey carried out by the World Bank in 2015 indicate that the recent economic upturn has brought the poverty rate back down to 46%.
- According to IMF, Côte d'Ivoire has continued to improve its rankings in the World Bank's survey-based Doing Business index, moving from the 177th position in the 2014 report (covering 189 countries) to 142th

position in the 2016 report. The 2014 and 2015 reports also ranked Côte d'Ivoire among the 10 best reformers. Notwithstanding the improvements in Côte d'Ivoire's ranking in the Doing Business index, it lags on indicators such as ease of paying taxes and obtaining credit.

- Fiscal and monetary policy, and regulatory reforms aimed at improving the business climate should help ensure that financial inclusion continues to expand such that rapid economic growth will benefit the majority of the population.

Côte d'Ivoire must overcome several important challenges to continue promoting and increasing financial inclusion. Most notably, financial points-of-service (POS) are highly concentrated in Abidjan, which has created a notable urban-rural gap in the provision of financial services. Because banks' main focus is on corporate clients, this results in a high concentration of financial POS in Abidjan.

- Mobile accounts have enabled individuals to conduct basic activities such as payments and money transfers. The next step in market development is meeting the demand for savings, [borrowing](#), and insurance with new mobile money products and services.

FINANCIAL SECTOR CONTEXT

- Côte d'Ivoire is a member state of the West African Economic and Monetary Union (WAEMU), sharing a customs and currency union with seven other neighboring Francophone countries.
- The [banking sector](#) consists of over 25 commercial banks with about 600 bank branches and 930 ATMs, and total assets worth over \$9 billion. Banking supervision is the responsibility of the Central Bank of West African States (BCEAO) Banking Commission, headquartered in Abidjan.
- According to the [IME](#), the Ivorian banking system remains generally sound and credit expansion is slowing down to more sustainable levels. Credit growth to the economy is projected to decelerate to about 14-15% in 2017-19, broadly consistent with the projected annual real GDP growth.
- The [microfinance sector](#) consists of 50 institutions with 375 branches and total assets over \$64 million at the end of 2017. The sector suffered from the political crisis and from structural governance issues that resulted in a continued decrease of the number of licensed institutions from 92 in 2006 to 50 in 2018. While the number of traditional financial cooperatives registered a dramatic decline from 90 in 2006 to 34 in 2018, the number of limited companies grew from two to 16 in the same period.
- **In 2014, the Government of Côte d'Ivoire, in partnership with the World Bank, formulated the [Financial Sector Development Strategy \(FSDS\)](#).** The purpose of FSDS was to address obstacles to financial inclusion and promote a greater role for the financial sector in promoting growth. To promote financial inclusion, some of the items included in the FSDS are: restructuring public banks, promoting transparency of financial information, deepening the financial market by diversifying the capital market, increasing the professionalism of the microfinance sector, and broadening insurance coverage to a larger share of the population.
- **Mobile financial services were launched in 2008.** Over the years, the major mobile money operators that have emerged include Orange Money (2008), MTN Mobile Money (2009) and Moov Flooz (2013).
 - Increasing adoption of mobile money has been driven by the partnership between MNOs and the government or other stakeholders in implementing e-payments. Examples of the uptake of e-payments include using mobile money to pay secondary school fees, payments for solar kits provided to rural residence to generate electricity, or savings for cocoa farmers using an ADVANS digital savings account accessible through MTN mobile money wallet. The first savings and digital credit products were launched in Côte d'Ivoire in February 2018.
 - Banks are trying to compete with MNOs by developing mobile apps like YUP, a mobile wallet offered by Société Générale, or Ecobank Xpress account. Others, like Standard Chartered bank, opened an [online-only bank](#), allowing customers to open an account and transact through the mobile app. However, these new channels are designed to first serve banks' existing customers.
 - With the exception of a select few, microfinance institutions still struggle to adopt and deploy new digital delivery channels to reach unbanked segments of the population.

ABOUT THE SURVEY

- Data collection took place from Aug. 30, 2017, to Oct. 16, 2017. The survey aims to assess the extent and nature of access to and use of financial services, with an emphasis on digital financial services.
- Target population: Adults aged 15+ residing in households.
- Target sample size: 3,000. Achieved sample size: 3,059.
- Sampling frame: List of enumeration areas (EAs) sampled for the 2017 national survey on employment (ERI-ESI 2017) conducted by the national statistical office (INS). The 2017 ERI-ESI sample covered 12,912 households in 1,076 EAs. It is a stratified cluster sample with a stratum corresponding to the urban or rural part of a region. EAs were selected as primary sampling units with probability proportional to their population size. Each sampled EA was then updated during a household listing operation from which 15 households were selected with equal probability.
- Sample designed in collaboration with INS stratified multistage design with a stratum corresponding to the urban or rural part of a region.
 - First stage: 224 EAs subsampled from ERI-ESI with equal probability.
 - Second stage: 15 households selected per sampled EA using the household lists created for ERI-ESI 2017.
 - Third stage: One adult household member aged 15 or over randomly selected in each sampled household using the Kish grid method.
- Face-to-face interviews using tablets.
- Sampling weights: Design weights adjusted for nonresponse at both household and household member levels. Normalized sampling weights were attached to the dataset.
- Weighted data used to generate representative statistics at the national level, and for urban and rural populations separately. Weighted percentages are presented together with unweighted counts.

2017: National demographics

(Shown: Percentage of Côte d'Ivoire adults, N=3,059)

Demographic characteristics	Percentages
Male	49
Female	51
Urban	53
Rural	47
Above the \$2.50/day poverty line	47
Below the \$2.50/day poverty line	53
Age: 15-24	29
25-34	27
35-44	20
45-54	12
55+	13
Financial literacy	33
Basic numeracy	67

KEY FINDINGS

In 2017, two in five adults (40%) were financially included via an account registered in their name with a mobile money service, bank, and/or nonbank financial institution (NBFI).

- A smaller proportion of women (31%) than men (50%) were financially included. Moreover, the prevalence of financial inclusion among urban adults (53%) was nearly double that of rural adults (27%). Financial inclusion was driven primarily by mobile money services; only 2% of adults who were financially included did not have a mobile money account.
- Registered users of mobile money made up 38% of the adult population. Registered users included 9% of adults who actively used a mobile money account for basic activities only (transfers, cash-in, cash-out, and account management). The larger portion (21% of adults) were active users who reported using their account for one or more advanced activities: bill payment, merchant payment, saving, borrowing, insurance, or government payments. An additional 7% of adults were inactive users.
- The survey found significant demand for mobile money saving and borrowing products. Despite the lack of availability of such products at the time of the survey, 22% of adults reported having ever used mobile money for saving or setting aside money, and six in 10 adults (59%) expressed interest in getting a loan via their mobile phone.

In Côte d'Ivoire, most adults who used financial services did so through their own registered account; only 6% of adults accessed a formal financial institution but did not have an account registered in their name.

- Six percent of mobile money users did not have a registered account in 2017. These users tend to have lower digital readiness and mobile phone skills than do registered users, and, therefore, rely on agents to help them complete transactions over-the-counter. They benefit from the fact that points-of-service are easily accessible. Most adults live in close proximity to mobile money agents.

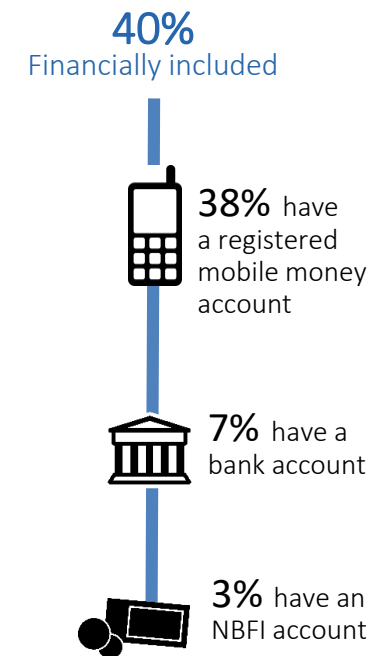
The growth of registered mobile money users is less constrained by mobile phone access or ownership, and more by lack of digital skills needed to perform financial transactions on a mobile phone without assistance.

- Three in four adults (77%) owned a mobile phone, and an additional 10% had access to a borrowed phone.
- The development of skills for the use of DFS remains a challenge: 41% of adults had never sent or received a text message, and 46% did not have the level of financial numeracy necessary to complete mobile transactions without errors.

Merchants do not see the added value in accepting payment via mobile money.

- A non-representative subsample of merchants found that only 10% accepted mobile money for payment.
- Cash was seen as more convenient by nearly all merchants. Other reasons for not accepting mobile money included limited customer demand and the cost of using mobile money, reported by 74% and 65% of merchants who accept only cash, respectively.

2017: Financial Inclusion*
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)

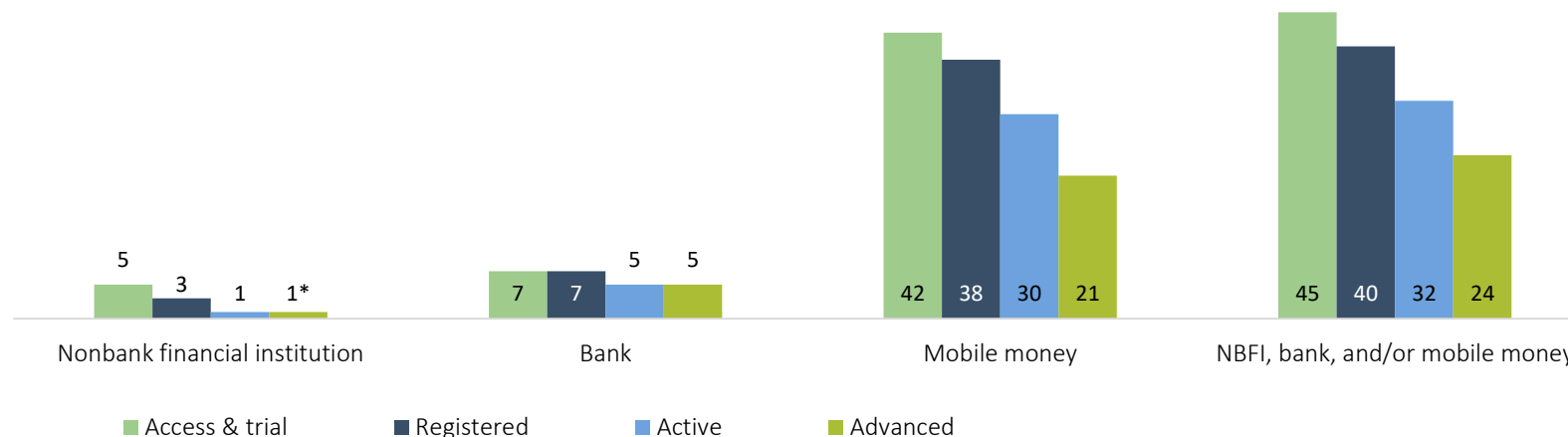


*Overlap representing those who have multiple kinds of financial accounts is not shown.

MOBILE MONEY DRIVES FINANCIAL INCLUSION

- Four in 10 adults were financially included via an account registered in their name with a mobile money service, bank, or nonbank financial institution (NBFi). Mobile money was the key driver of financial inclusion; 38% of the population had a mobile money account. Only 7% and 3% of adults, respectively, had accounts at banks and NBFIs.
- More men than women were financially included (50% versus 31%). Financial inclusion was lowest among youth (15-24) and adults aged 55 and over.
- The large majority of registered users of all financial institutions used their accounts actively in the 90 days prior to the survey. Nearly one in four adults (24%) used their account for an advanced activity, such as saving, borrowing, insurance or investment.

2017: Financial inclusion summary
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



*Fewer than 50 observations

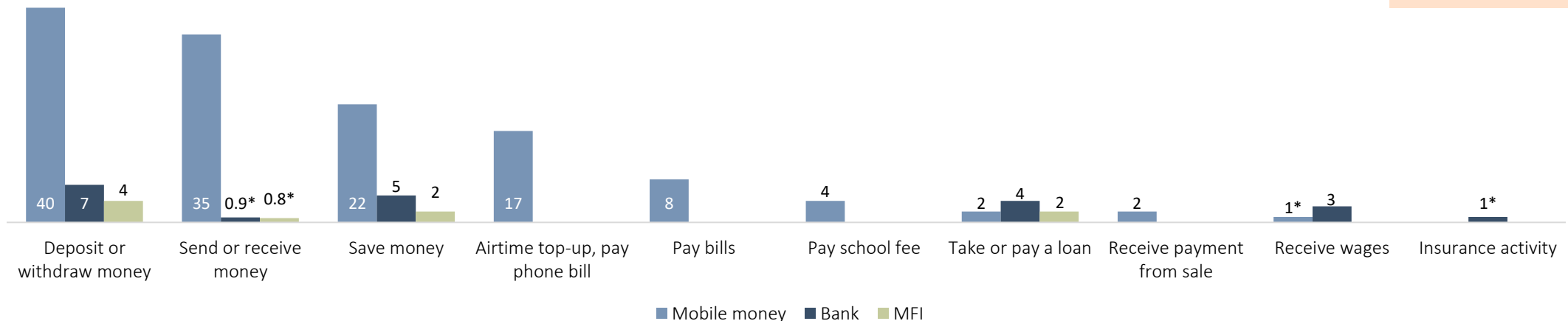
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

MOBILE MONEY IS USED FOR A WIDE RANGE OF ACTIVITIES

- Cash deposits and withdrawals were the most commonly reported use cases for all financial accounts, and mobile money was used the most often for these purposes. Other reported use cases were, in descending order: transfers, saving, topping-up mobile airtime and paying phone bills, bill pay, and paying school fees. The remaining activities are too rare for accurate measurement using a survey sample of 3,059 respondents.
- Saving and loan activities were more common among bank users versus NBFIs users. Mobile money was used for saving (safekeeping) more often than other financial institutions, despite the lack of interest-bearing mobile money savings products on the market at the time of the survey. An equal 2% of adults reported using mobile money and NBFIs for loan activity.

22% of adults used mobile money for saving (safekeeping). There is a clear market opportunity for mobile money savings accounts.

2017: Financial activities, by institution
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



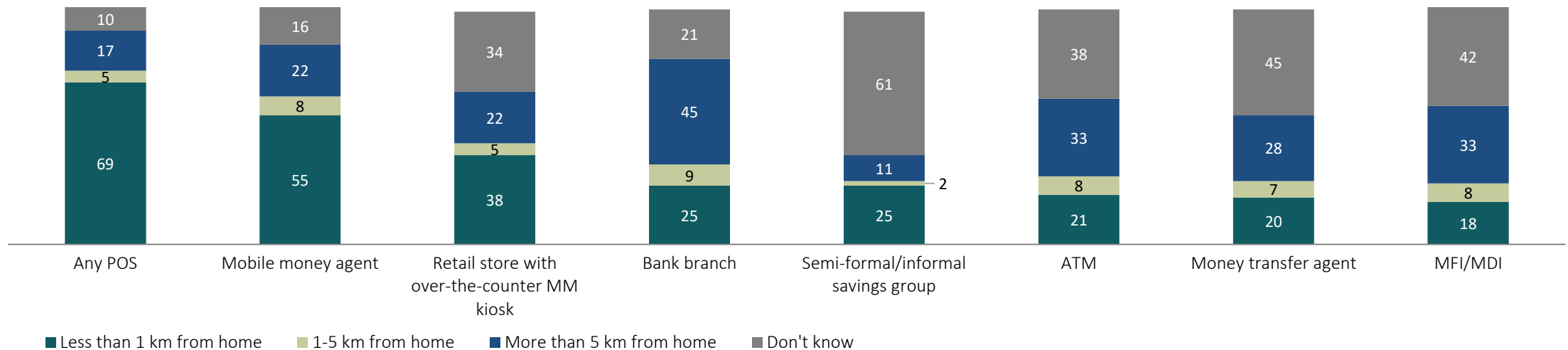
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

MOBILE MONEY AGENTS AND KIOSKS ARE CLOSEST TO HOME

- The large majority of the adult population (69%) reported living within one kilometer of a financial point-of-service (POS), mainly mobile money agents (55%) and kiosks (38%) that provide cash-in/cash-out. This close proximity to a POS offers an opportunity for building greater DFS access.
- POS for other financial institutions are relatively rare; only a quarter of the population knew about a bank branch or a semi-formal/informal savings group within one kilometer, and less than one in four adults knew of an ATM, money transfer agent, or MFI within the same distance.

2017: Proximity to points-of-service (POS) for financial institutions
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)

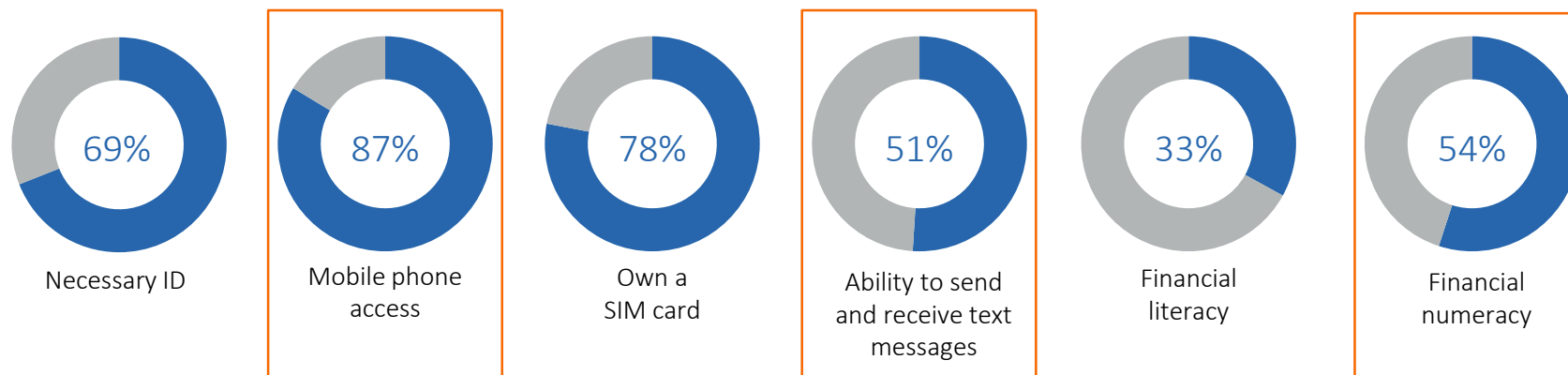


HIGH MOBILE PHONE ACCESS, LOWER DIGITAL SKILLS

- In 2017, 69% of adults had the official ID necessary to register an account, and 87% had access to a mobile phone, including 77% who owned a phone and 10% who borrowed one.
- Relative to phones and ID, digital skills are a greater constraint to the uptake of financial services. The ability to send a text message is a key proxy indicator of ability to use a mobile money account unassisted by an agent. In 2017, 51% of adults reported some ability to send or receive a text message, which provides a rough estimate of the market potential for unassisted use of mobile money accounts.
- Likewise, the 54% prevalence of financial numeracy provides an estimate of the upper limit for unassisted use of mobile money accounts. Non-financially numerate adults, accustomed to counting in physical units of cash, have difficulty reading an account balance, and are, therefore, unlikely to risk making errors by using a phone to make a transaction without assistance.

2017: Key indicators of readiness to adopt digital financial services

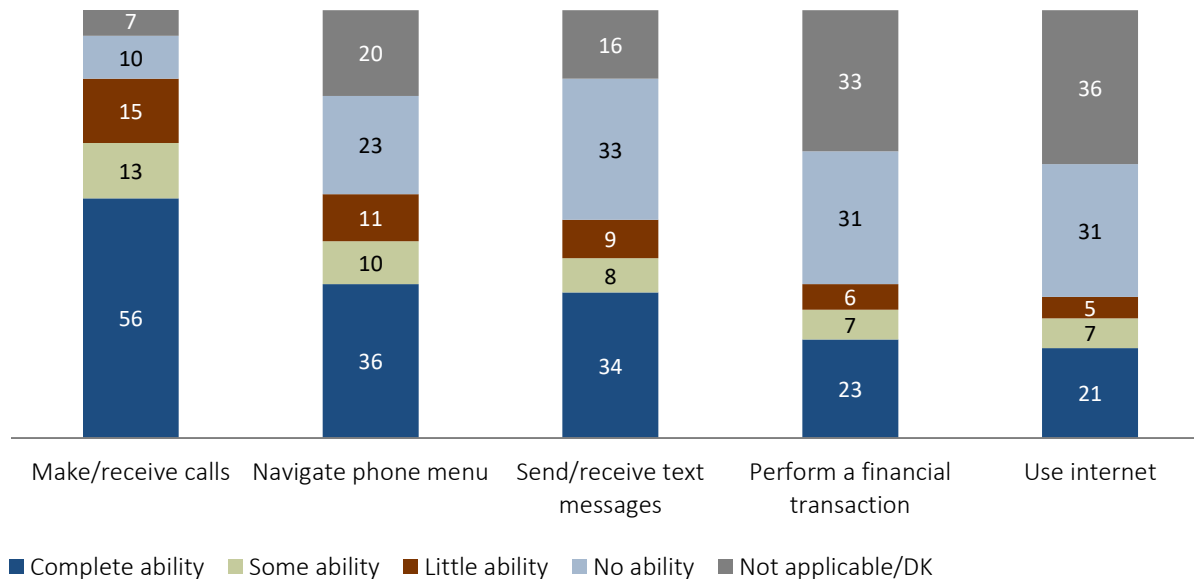
(Shown: Percentage of Côte d'Ivoire adults, N=3,059)



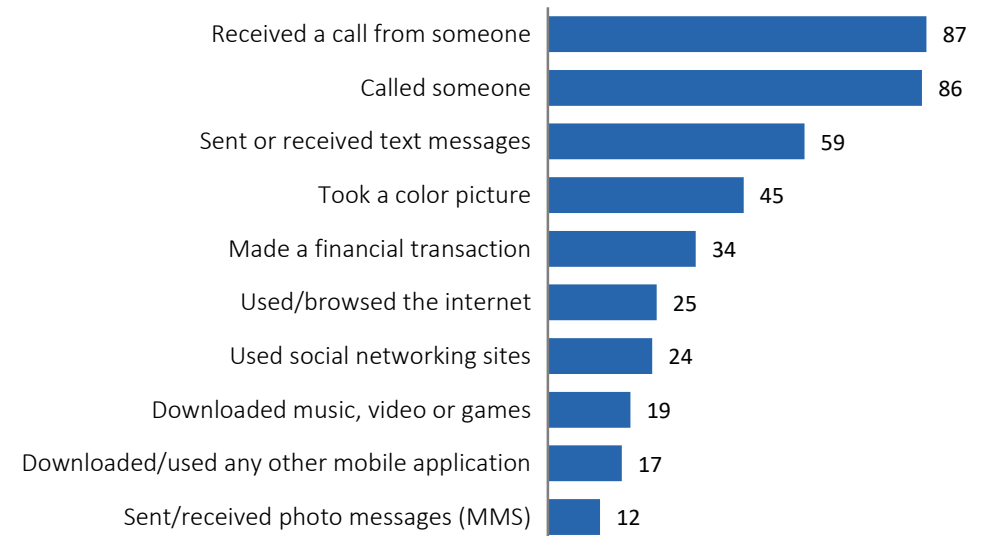
LIMITED ABILITY TO MAKE FINANCIAL TRANSACTIONS VIA MOBILE PHONES

- DFS uptake is constrained by the limited capability of most individuals to use the technology unassisted. While 38% of adults had a mobile money account, only 23% reported “complete ability” to perform a financial transaction. This finding suggests that a significant proportion of registered account holders rely on agents to assist them with completing transactions.
- Most adults have ever used a phone for basic functions: 86% have called someone and 87% have received a call. Only one in three has ever performed a financial transaction and one in four has ever used the internet on their phone.

2017: Phone user capability
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



2017: Mobile phone functions ever used
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)

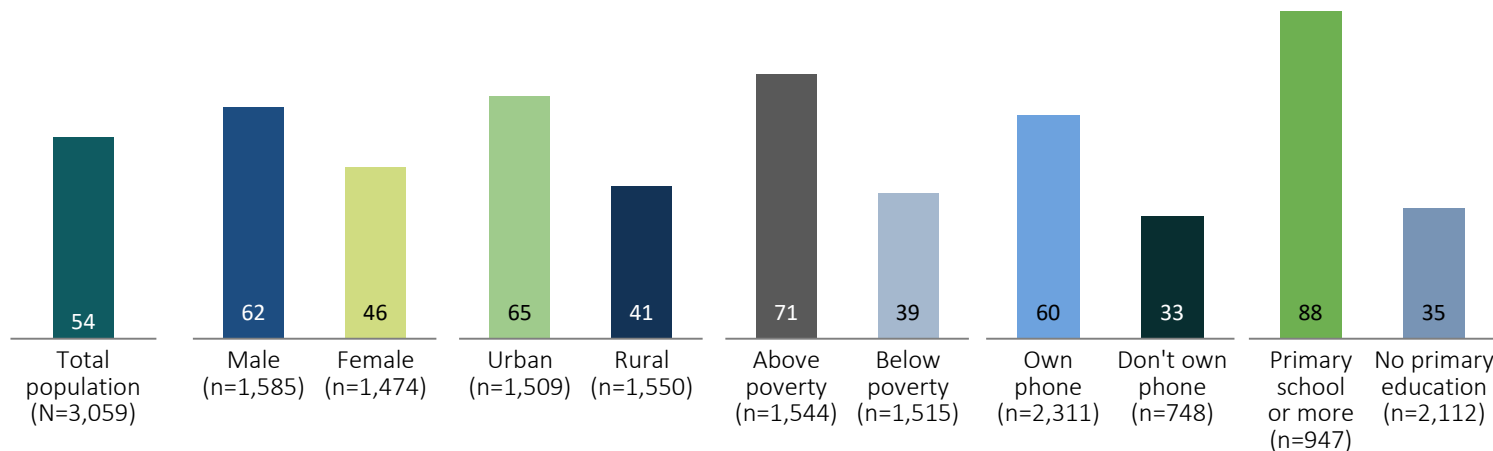


FINANCIAL NUMERACY IS A KEY SKILL FOR MOBILE MONEY

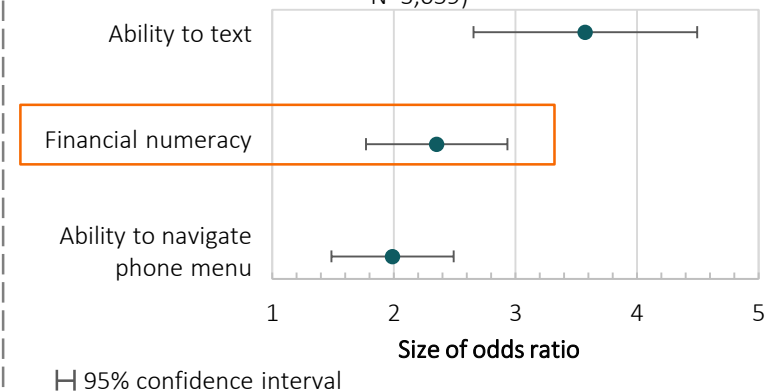
- Financial numeracy measures key numeracy skills needed to complete a financial transaction on a mobile phone without assistance. In this study, adults were counted as financially numerate if they could identify a one-digit number, multiply 2,000 Francs by 3 months, and read the number 10,750 (Francs). Financially numeracy is important for avoiding place-value errors that would result in sending the wrong amount by an order of magnitude when using a mobile money account.
- Financial numeracy was much more common among those with primary school or more than among those with less than primary school. There were also large differences by gender, locality, income, and phone ownership.
- Financially numerate adults had nearly 2.5 times greater odds of having a registered mobile money account than did the average adult. The ability to text has greater predictive power than financial numeracy, increasing the odds of having a registered mobile money account by 3.6 times.

16 percentage-point gender gap in financial numeracy.

2017: Financial numeracy, by demographic group
 (Shown: Percentage of Côte d'Ivoire adults in each demographic group)



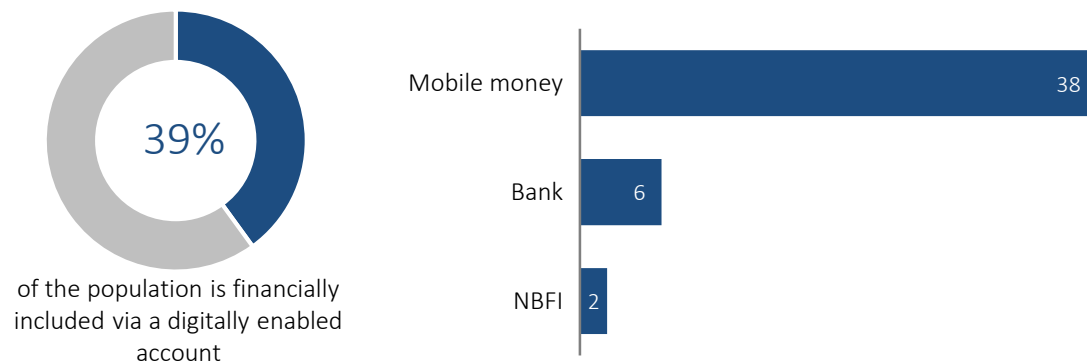
2017: Odds of holding a registered mobile money account
 (Shown: Odds ratios from multivariate logistic regression of key digital skill indicators on mobile money account ownership, N=3,059)



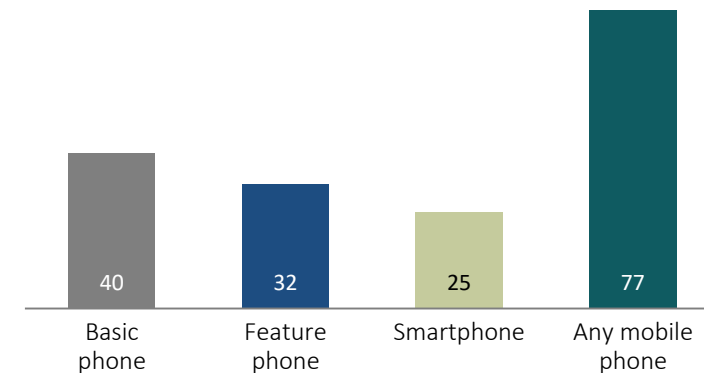
DIGITAL FINANCIAL INCLUSION IS STILL LOW

- Digital financial inclusion in Côte d'Ivoire is effectively synonymous with mobile money account ownership. All registered mobile money users are digitally included by definition. In addition, most bank and NBFi registered users reported their institutions offered digital features with their account.
- One-quarter of adults reported they own a smartphone.
- The growth of the mobile money ecosystem, in partnership with banks and NBFIs, coupled with increased levels of financial literacy and numeracy, should ensure that digital inclusion will expand significantly.

2017: Digital financial inclusion by service type
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



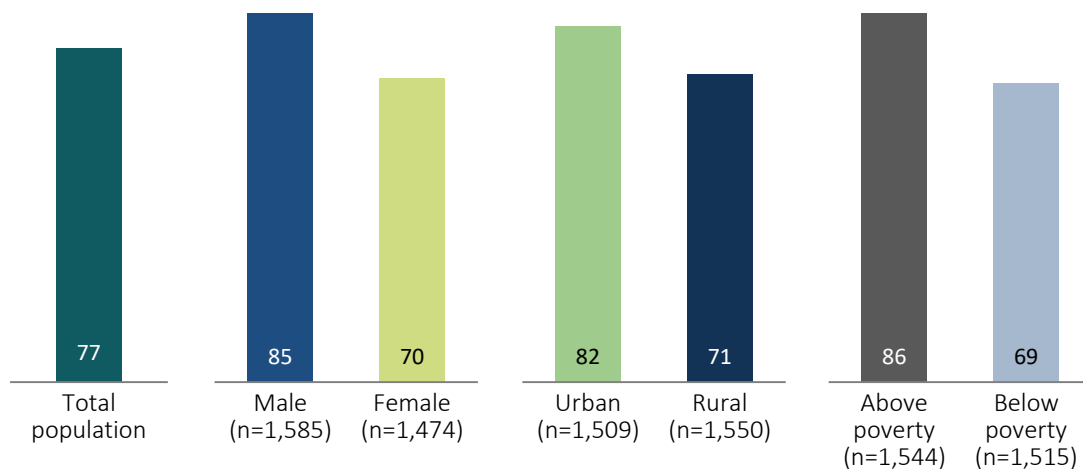
2017: Mobile phone ownership
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



OWNERSHIP OF MOBILE PHONES IS UNEQUAL

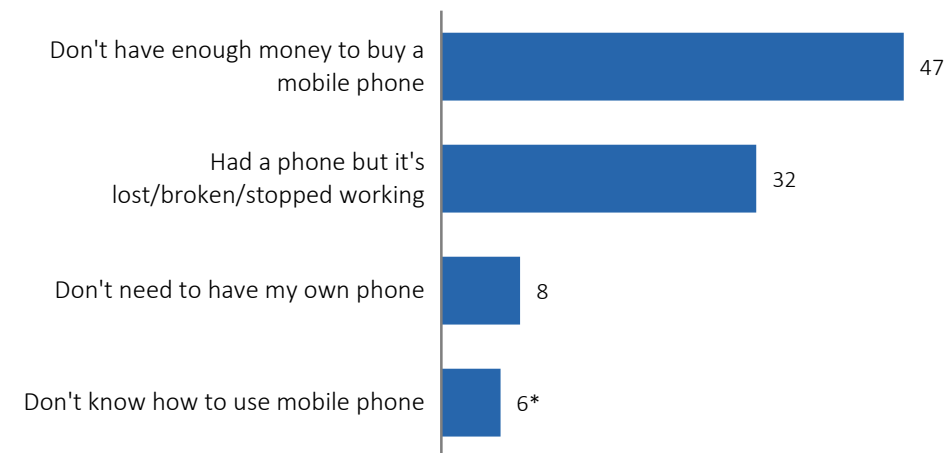
- Phone ownership is widespread; over three in four adults (77%) reported owning a mobile phone. Phone ownership was higher among males, urban residents and adults living above the poverty line than it was among their female, rural and below-poverty counterparts. The gender gap was 15 percentage points while there was an 11 percentage-point gap between adults living in urban versus rural areas. The gender gap was more pronounced in rural areas than it was in urban areas (23 versus 10 percentage points, respectively).
- Among those who did not own a mobile phone, the most frequently cited barrier to ownership was insufficient money to purchase a phone (47%). Additionally, 32% of adults mentioned previously owning a phone they had not yet replaced.

2017: Mobile phone ownership, by demographic
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



2017: Reasons for not owning a mobile phone

(Shown: Percentage of Côte d'Ivoire adults who don't own a mobile phone, n=748)



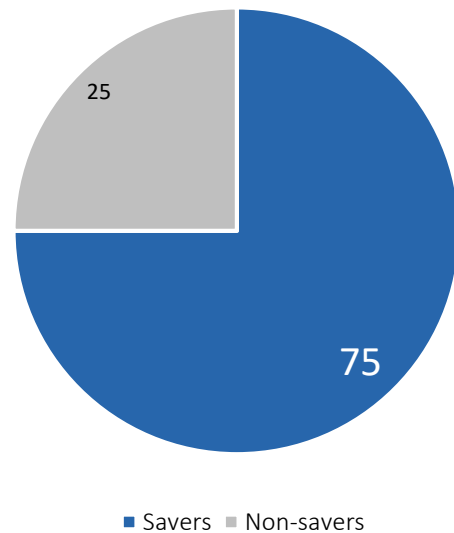
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

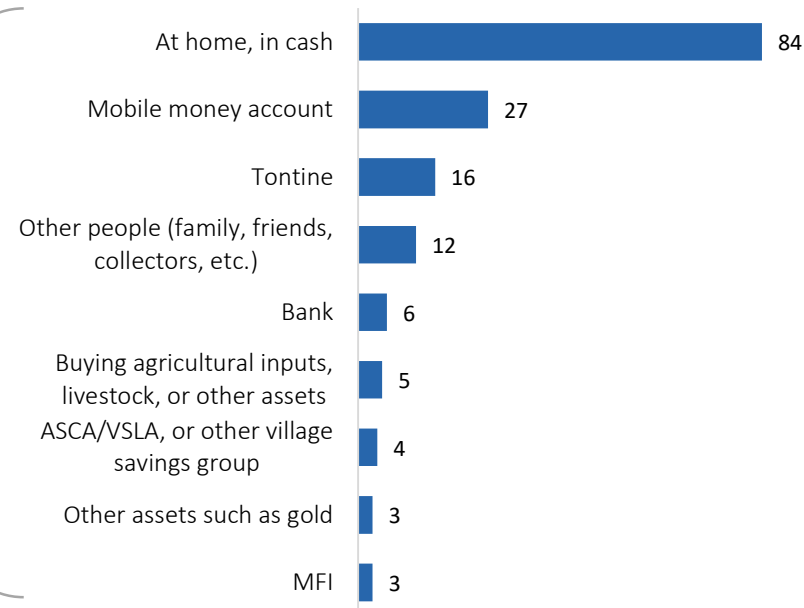
CASH AND MOBILE MONEY ARE THE MAIN SAVING INSTRUMENTS

- Three in four adults reported saving money. There is no difference across gender, urban and rural areas, and poverty status. However, salaried adults are the most likely to save money (89%) followed by the self-employed (80%).
- The majority (84%) primarily save in cash, at home, and 16% saved through tontines. Few save with banks and microfinance institutions (MFIs), 6% and 3% respectively.
- About one-fourth (27%) also reported using mobile money to save, which at the time of the survey did not include options for earning interest on deposits. The popularity of securely storing cash in the form of e-money suggests there is significant market potential for savings products that are accessed through mobile money accounts.

2017: Adults who save
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



2017: Methods of saving
 (Shown: Percentage of Côte d'Ivoire adults who save, n=2,327)



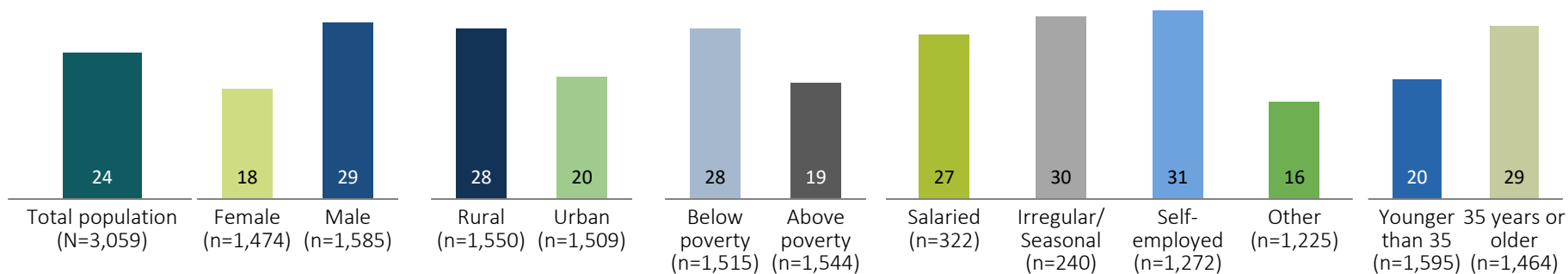
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

BANKS ARE THE MAIN FORMAL PROVIDER OF CREDIT

- About one-fourth of adults (24%) reported they borrowed money outside of their household in the last 12 months.
- Borrowing in the last 12 months was higher among men, rural residents, and adults living below the poverty line. The proportion of salaried adults who borrowed in the last 12 months is only slightly lower than that of irregular/seasonal workers and the self-employed.
- Only 14% of adults who borrowed reported taking loans from banks; 2% borrowed from microfinance institutions (MFIs). These results suggest that access to credit from formal institutions is very limited in Côte d'Ivoire.

2017: Adults who borrowed in the past 12 months

(Shown: Percentage of Côte d'Ivoire adults, N=3,059)

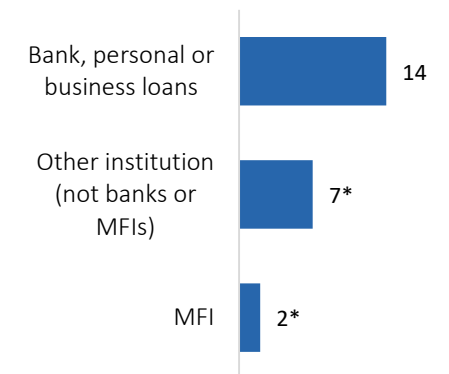


Fewer than 50 observations

*Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

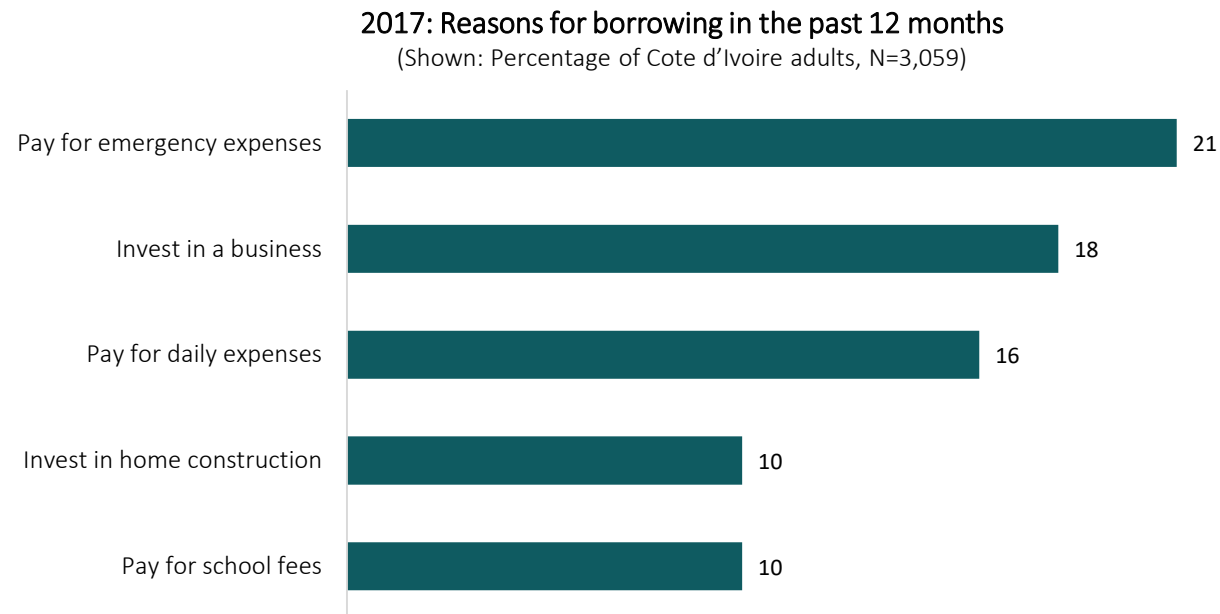
2017: Methods of borrowing within the past 12 months

(Shown: Percentage of Côte d'Ivoire adults who have borrowed in the past 12 months, n=801)



REASONS FOR BORROWING IN THE PAST 12 MONTHS

- Adult Ivorians borrowed in the past 12 months for a variety of reasons. The top reason for borrowing was to pay for emergency expenses (21%) followed by investing in a business (18%) and paying for daily expenses (16%).
- Regardless of the reason for borrowing, the proportion of men, rural residents and adults living below the poverty line who borrowed in the past 12 months is higher than the proportion of their counterparts. While a higher proportion of salaried adults borrowed to pay for emergency expenses (22%), more self-employed adults borrowed to invest in their businesses (24%) or to pay for emergency expenses (28%). Meeting daily expenses was the top reason for borrowing among adults with irregular/seasonal work (23%).

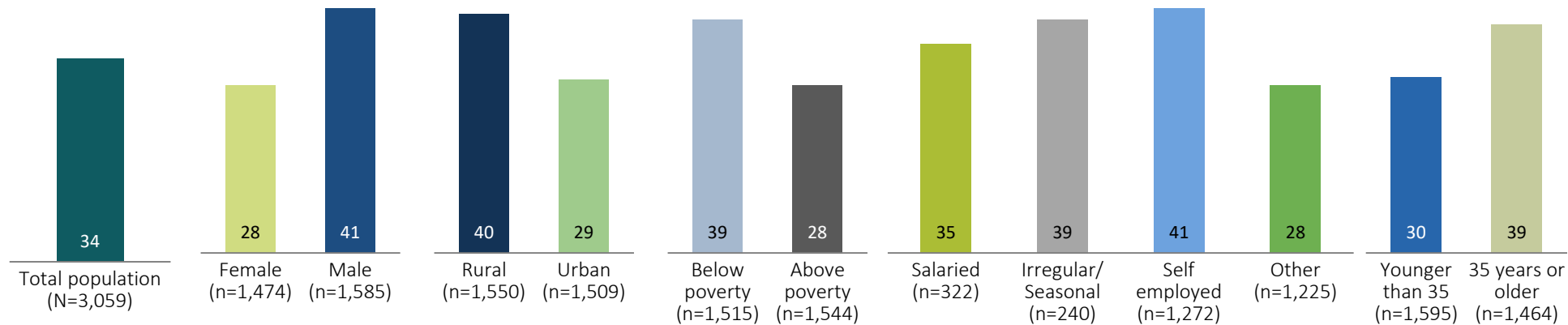


ACCESS TO FORMAL CREDIT IS STILL VERY LOW

- At the time of the survey, only 2% had an ongoing loan with a bank, or a formal or informal NBFI; there was no digital credit product via mobile money.
- Only one in three has ever borrowed outside of their household. The proportion of men, rural residents, adults living below the poverty line and the self-employed who have ever borrowed is higher than that of their counterparts.

2017: Adults who have ever borrowed

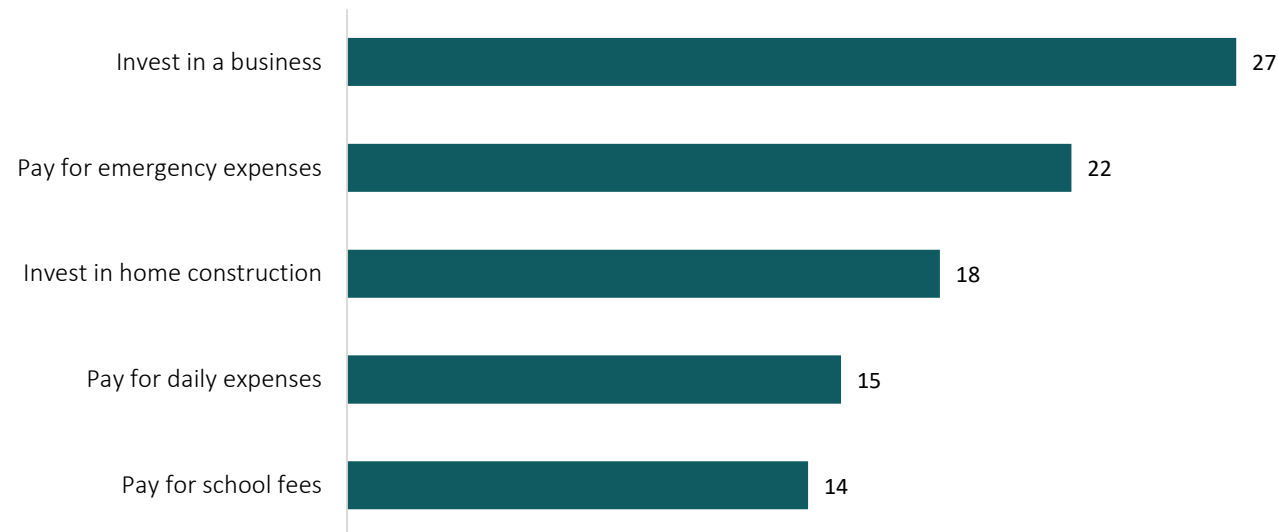
(Shown: Percentage of Côte d'Ivoire adults, N=3,059)



HOWEVER, THERE IS A DESIRE FOR GREATER ACCESS TO CREDIT

- With about one-third of the adult population (34%) reporting self-employment, investing in a business was the top reason for wanting greater access to credit (27%). Paying for emergency expenses was the second reason (22%) followed by investing in home construction (18%).

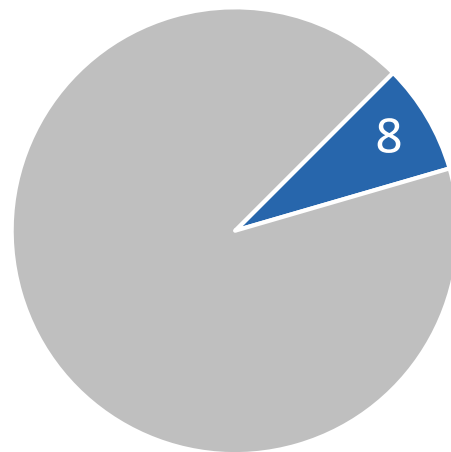
2017: Reasons for wanting greater access to credit
(Shown: Percentage of Cote d'Ivoire adults, N=3,059)



ACCESS TO INSURANCE IS EXTREMELY LOW

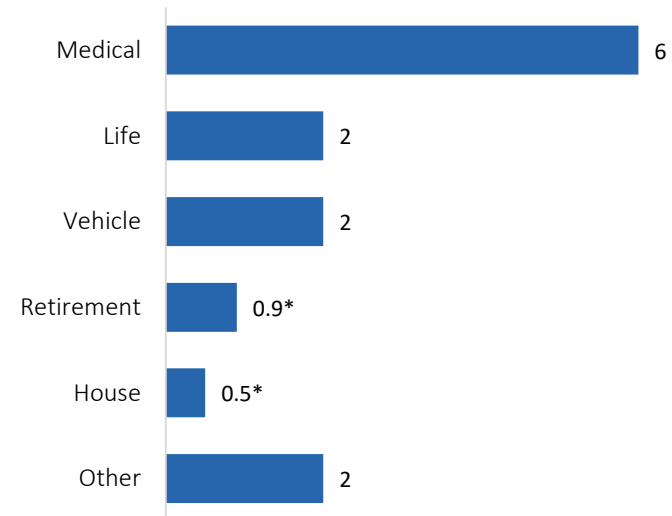
- Less than one in 10 have any type of insurance. Medical insurance is the most prevalent.

2017: Adults who have insurance
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



■ Have insurance

2017: Types of insurance
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



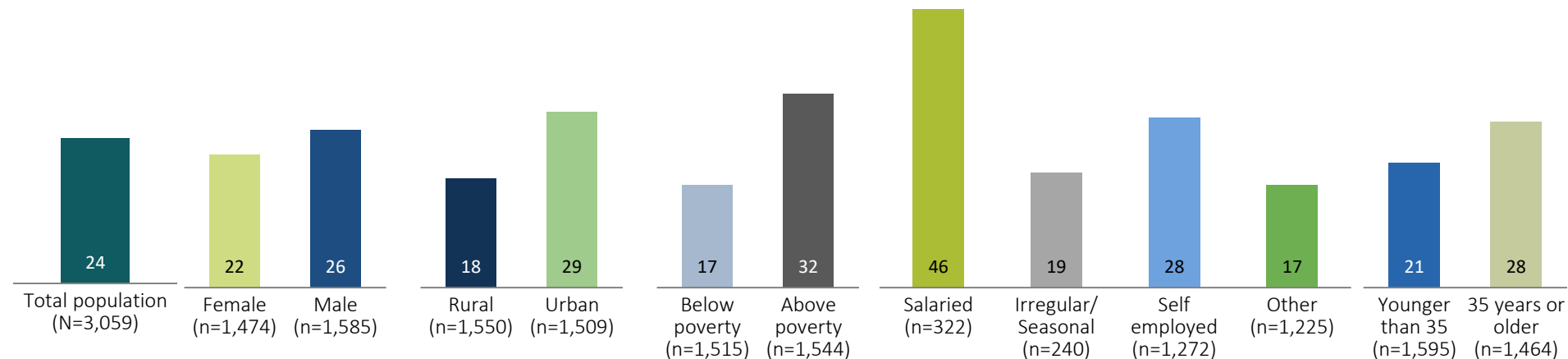
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

FEW ADULTS ARE PREPARED FOR UNEXPECTED EXPENSES

- Only one-fourth of adults had emergency funds to cover unplanned expenses. The proportion of those who did is higher among men, urban residents and adults living above the poverty line than it is for their counterparts. Salaried adults are far more likely to have emergency funds (46%) than are adults in other employment categories.

2017: Adults who have emergency funds
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



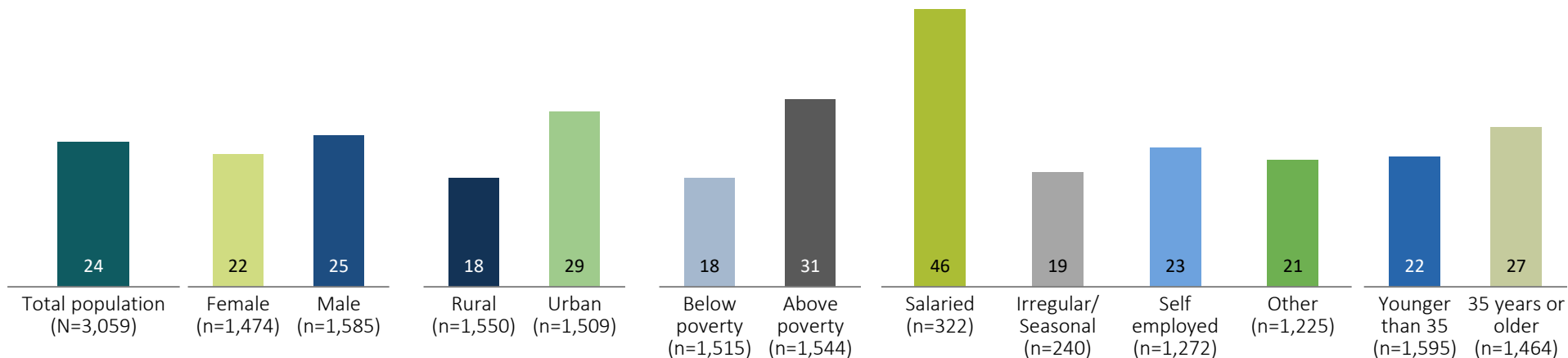
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

MAJORITY OF ADULTS DO NOT HAVE ENOUGH MONEY FOR LIVING EXPENSES

- With about half of the population (54%) living on less than \$2.50 per day, only one-fourth of adults reported they have enough money to pay for their living expenses. While there was a small gender difference in favor of men, urban residents and adults living above the poverty line were more likely to have enough money for living expenses than their rural and below poverty counterparts, 11 and 13 percentage-point difference, respectively. Salaried adults remain, by far, the largest group of adults who can afford to pay for living expenses.

2017: Adults who have enough money for living expenses

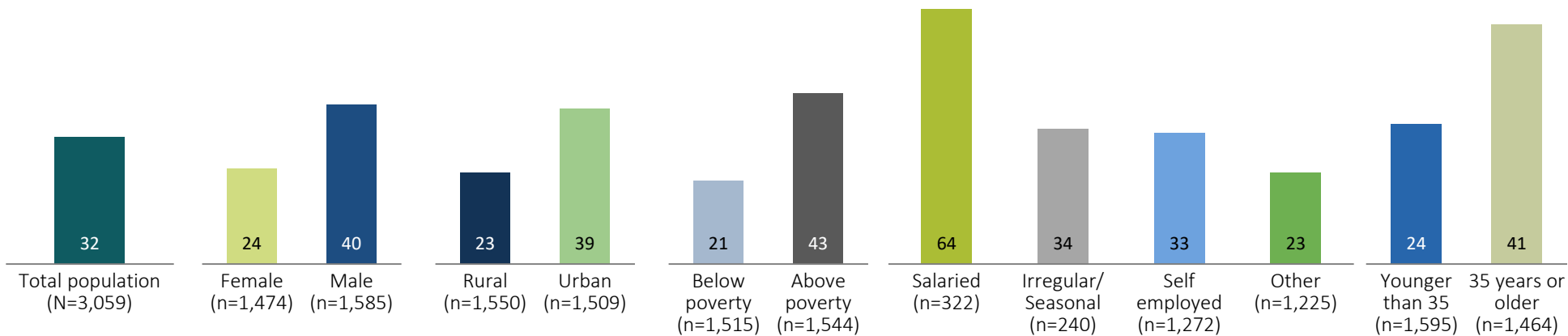
(Shown: Percentage of Côte d'Ivoire adults, N=3,059)



FEW ADULTS PAY THEIR BILLS ON TIME AND IN FULL

- Only one in three adults reported they pay their bills on time and in full. They are primarily male, urban residents, those living above the poverty line and salaried adults.

2017: Adults who pay bills on time and in full
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)

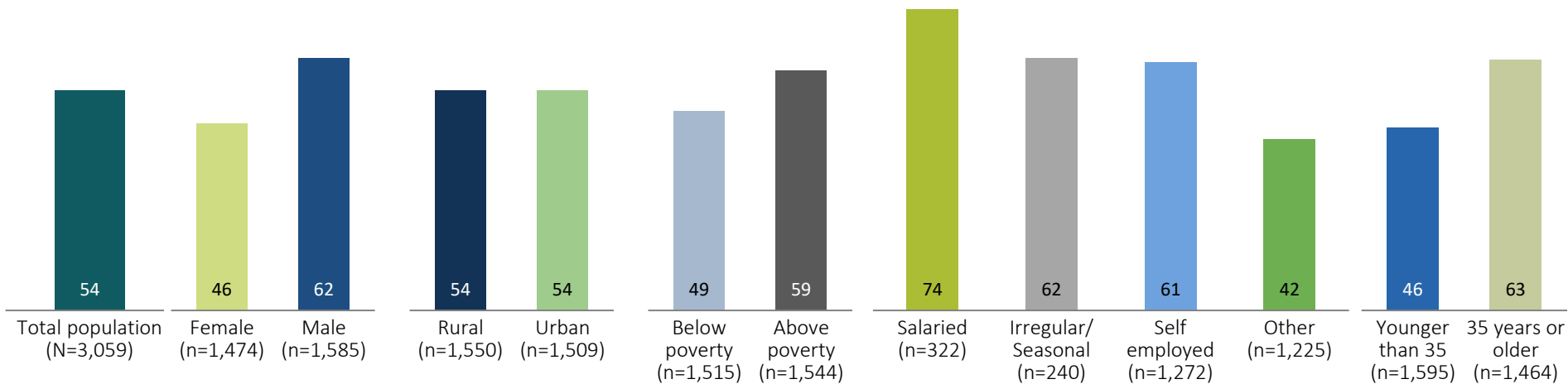


Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

FRIENDS AND FAMILY ARE A SOURCE OF FINANCIAL SUPPORT

- Just over half of the adult population (54%) reported their friends and family rely on them for help with their finances. While there was no difference across urban and rural areas, men, adults living above the poverty line, and salaried adults were more relied on than were their counterparts.

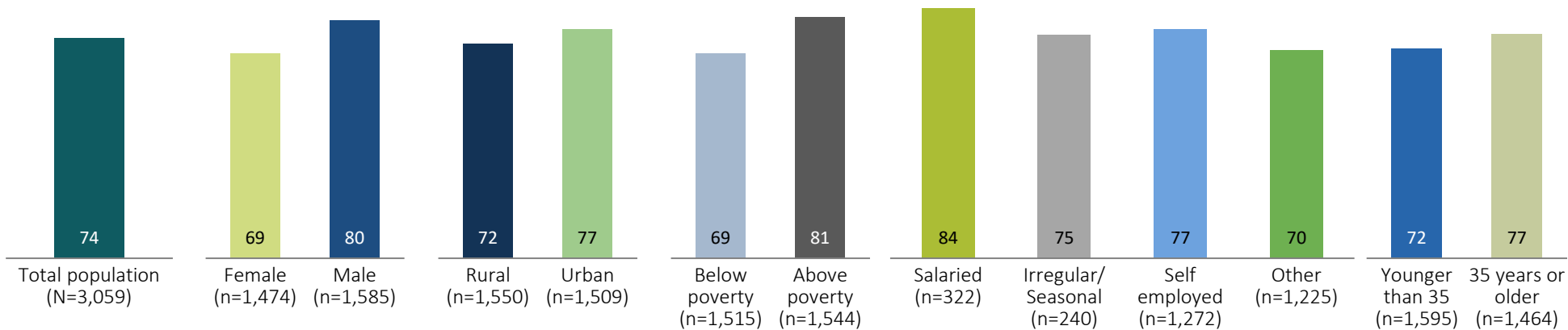
2017: Financial capacity, by demographics
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



MAJORITY OF ADULTS ARE CONFIDENT ABOUT THEIR FINANCIAL SKILLS

- About three in four adults reported they have the skills and knowledge to manage their finances. The proportion was higher among men, urban residents, adults living above the poverty line, and salaried adults.

2017: Financial capacity, by demographic
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

SUMMARY

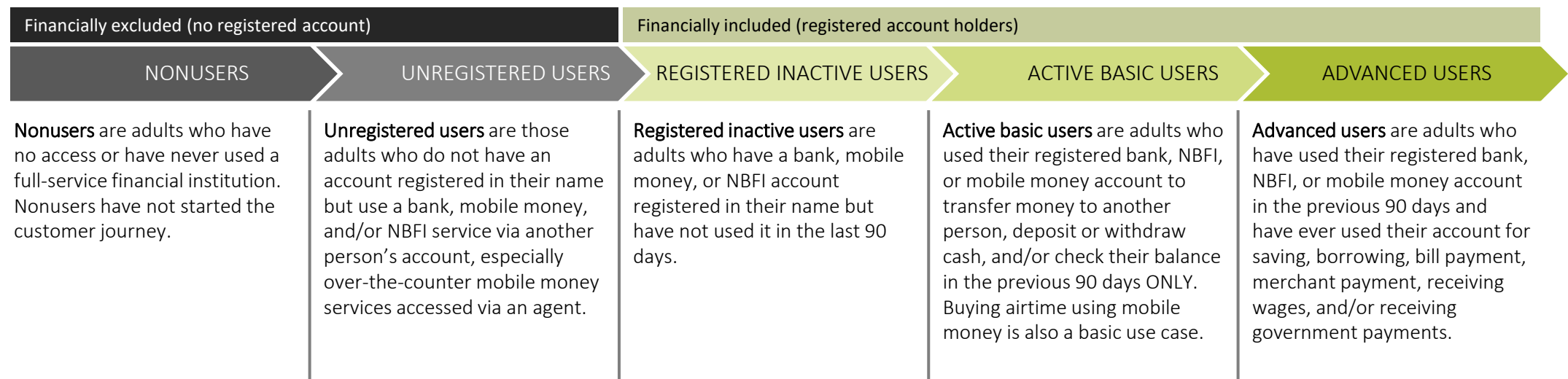
- In 2017, only 40% of adults in Côte d'Ivoire were financially included.
- Financial inclusion is driven by mobile money.
- Mobile money agents and kiosks are the closest points of financial services.
- Few adults use banks and MFIs for saving and borrowing needs. The primary saving method is in cash, at home.
- Côte d'Ivoire has a digital ecosystem and high mobile phone access. However, this is met with low levels of financial literacy and numeracy, and a limited capability for performing a financial transaction using a mobile phone.
- The growth of the mobile money ecosystem in partnership with banks and NBFIs, coupled with increased levels of financial literacy and numeracy, should ensure that (digital) financial inclusion will expand significantly.

CUSTOMER JOURNEY



CUSTOMER JOURNEY THEORY OF CHANGE

- Financial inclusion may be conceived as a process through which an individual's financial health is improved by advancing step-by-step towards increasingly active engagement with a growing range of appropriate financial services. The customer journey theory of change posits that advancement on the journey leads to gains in human welfare.
- Understanding how individuals and groups advance on the customer journey is useful for developing strategies and interventions to assist more individuals to become users of the financial services that best meet their needs.
- Five major segments of the population on the customer journey are described below. Each group is mutually exclusive of the others. The population shifts between these groups as more individuals make progress on the customer journey.

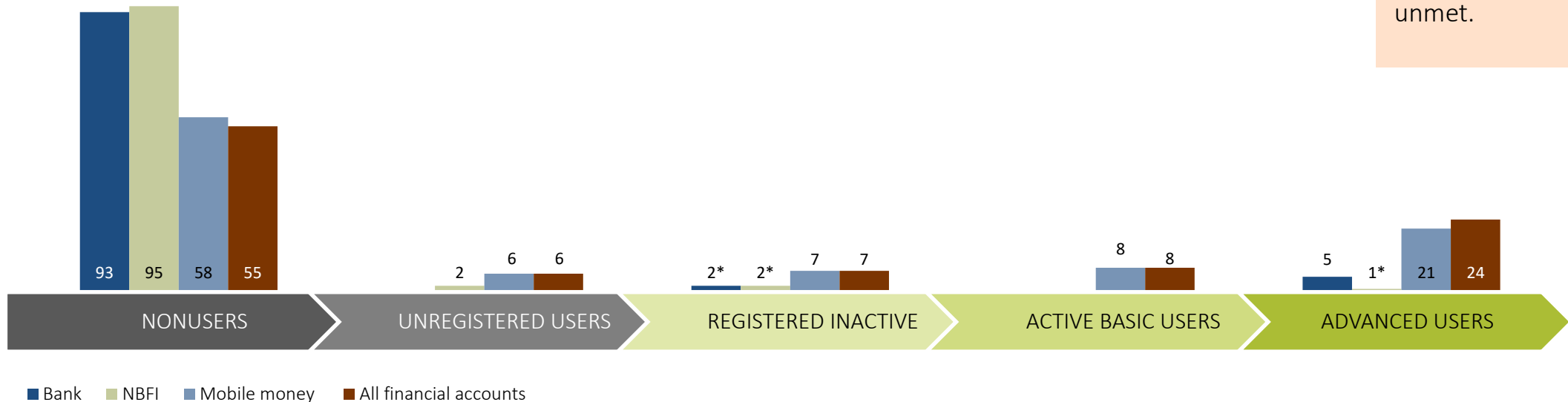


CUSTOMER JOURNEY SEGMENTATION

- The majority of adults have yet to embark on the customer journey to financial inclusion. More than half the adult population does not use formal financial institutions, particularly banks or NBFIs, and 6% of adults are unregistered users.
- The final three, financially included segments include 7% of adults who were inactive users of their accounts in the 90 days before the survey. Those who report using their accounts for an advanced activity (savings, credit, insurance or investment) outnumber active basic users who only use their accounts for transfers, cash-in, cash-out, and wallet management. There is a significant market opportunity for value-added mobile money products to meet demand from the advanced user group.

21% of adults were advanced mobile money users whose demand for savings and loan products was unmet.

2017: Customer journey segmentation, by financial institution
 (Shown: Percentage of Côte d'Ivoire adults, by financial institution, N=3,059)



*Fewer than 50 observations







Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

DEMOGRAPHICS OF EACH CUSTOMER SEGMENT

- Nonusers were primarily women (60%) but men were a greater proportion of unregistered (54%), active basic (51%), and advanced users (68%). Persistent gender gaps will be addressed only by finding ways of accelerating adoption among women.
- Two-thirds (67%) of nonusers lived below the poverty line, whereas majorities of registered inactive, active basic, and advanced users lived above the poverty line. Lack of money to use financial services reduces progress on the customer journey.
- Nonusers tend to be rural adults (59%). In the financially included, registered inactive, active basic and advanced user segments, the proportion of urban adults was greater than that of rural adults. This urban bias is likely due to stronger network effects driving adoption in cities.

2017: Demographic groups, by customer journey segment

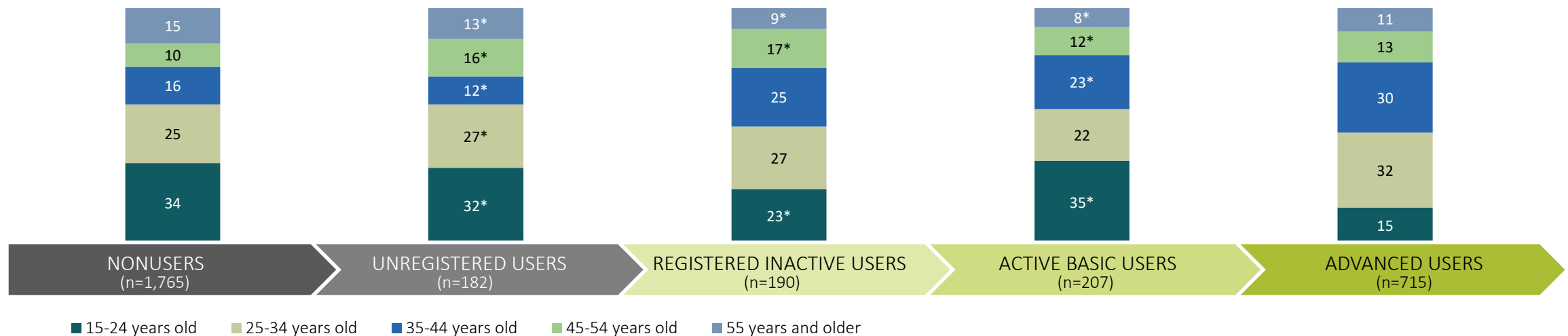
(Shown: Percentage of Côte d'Ivoire adults in each segment)

DEMOGRAPHICS	NONUSERS (n=1,765)	UNREGISTERED USERS (n=182)	REGISTERED INACTIVE USERS (n=190)	ACTIVE BASIC USERS (n=207)	ADVANCED USERS (n=715)
 Male	40%	54%	49%	51%	68%
 Female	60%	46%	51%	49%	32%
 Above poverty	33%	51%	58%	60%	72%
 Below poverty	67%	49%	42%	40%	28%
 Rural	59%	50%	42%	29%	26%
 Urban	41%	50%	58%	71%	74%

CUSTOMER JOURNEY SEGMENTS, BY AGE GROUP

- Those in the 15-24 and 25-34 age groups were overrepresented among nonusers, unregistered users, and active basic users compared to their share of the total population. Adults under 35, who are active basic users primarily bought airtime and paid their phone bills. Younger adults may be less likely to have the income to manage their finances using a registered account.
- Nearly two-thirds of advanced users were between the ages of 25 and 44, which is the age group with the most income and technological capabilities.

2017: Age groups, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each group in each segment)



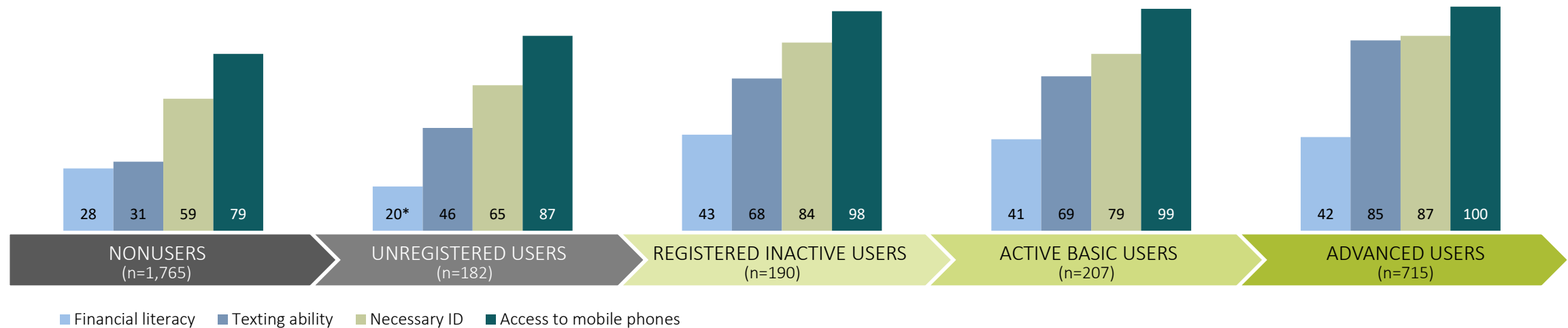
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

READINESS INCREASES ON THE CUSTOMER JOURNEY

- Nearly all adults in the latter three, financially included user groups had phone access, and large majorities reported having the ID necessary to register an account. Smaller majorities in the nonuser and unregistered user groups also reported having access to a phone and the necessary ID. This finding suggest that these factors are lesser constraints to progress on the customer journey than financial literacy and digital skills, such as the ability to text.
- Nonusers lacked the necessary skills to adopt formal financial services (only 28% had financial literacy and 31% had the ability to send/receive text messages).

2017: Readiness to adopt formal financial services, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each segment)



*Fewer than 50 observations

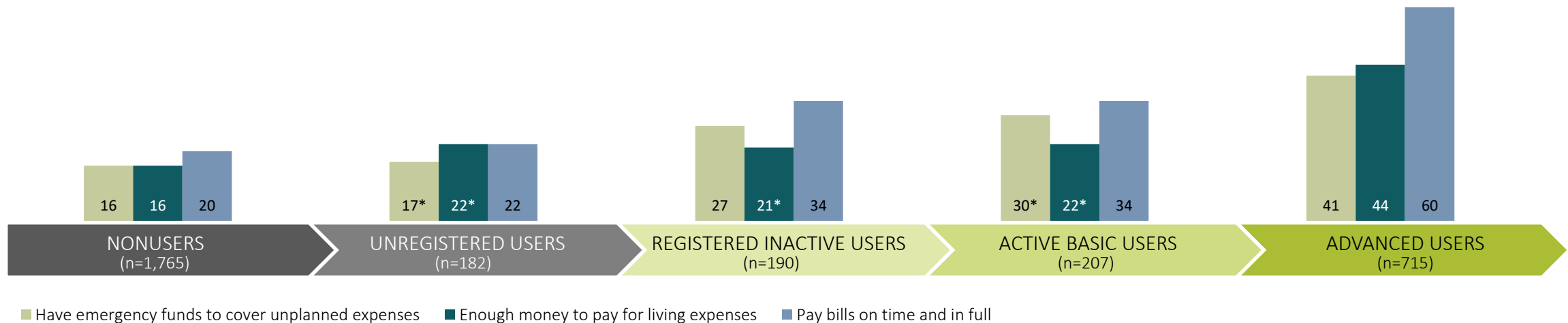
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

FINANCIAL HEALTH INCREASES ON THE CUSTOMER JOURNEY

- The proportion of adults with emergency funds, enough money to pay for living expenses, and able to pay bills on time increases at each successive stage of the customer journey. The correlation does not, however, allow for drawing conclusions about whether financial inclusion causes financial health, or the opposite.
- Overall, advanced users had better financial health than any other segment: 41% had an emergency fund, 44% had enough money to pay for living expenses, and 60% were able to pay bills on time and in full. Advanced users were three times more likely to report paying their bills on time and in full than were nonusers.

2017: Financial health, by customer journey segment

(Shown: Percentage of Côte d'Ivoire adults in each segment reporting somewhat/strongly agree)



*Fewer than 50 observations

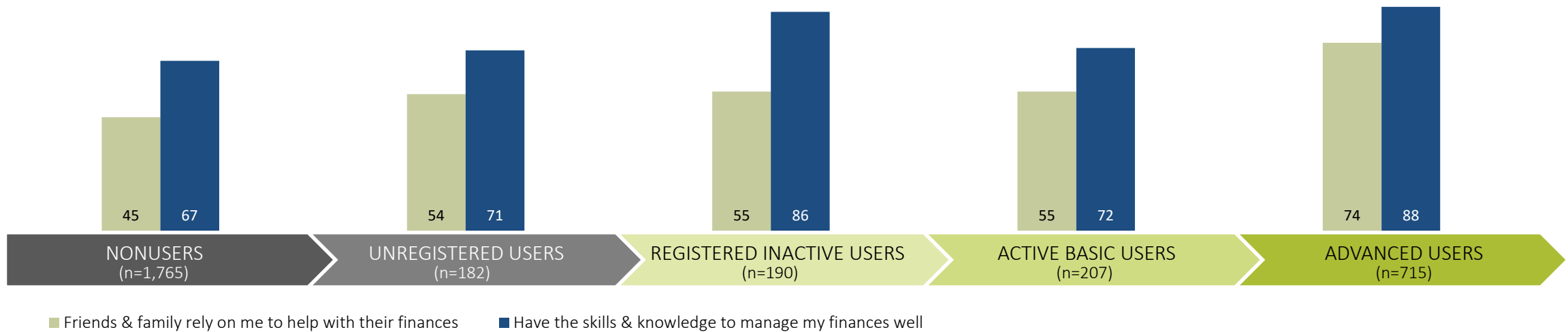
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

THE FINANCIALLY INCLUDED HAVE HIGHER FINANCIAL CAPACITY

- Nonusers are the least financially capable segment. The large majority of nonusers (65%) live below the poverty line, and only 45% of them are confident they can help friends and family with their finances. However, a majority of nonusers (67%) believe they have the skills and knowledge to manage their finances well.
- More financially included adults perceive themselves as having the skills and knowledge to manage their finances well than do adults in financially excluded groups.

2017: Financial capacity, by customer journey segment

(Shown: Percentage of Côte d'Ivoire adults in each segment reporting somewhat/strongly agree)

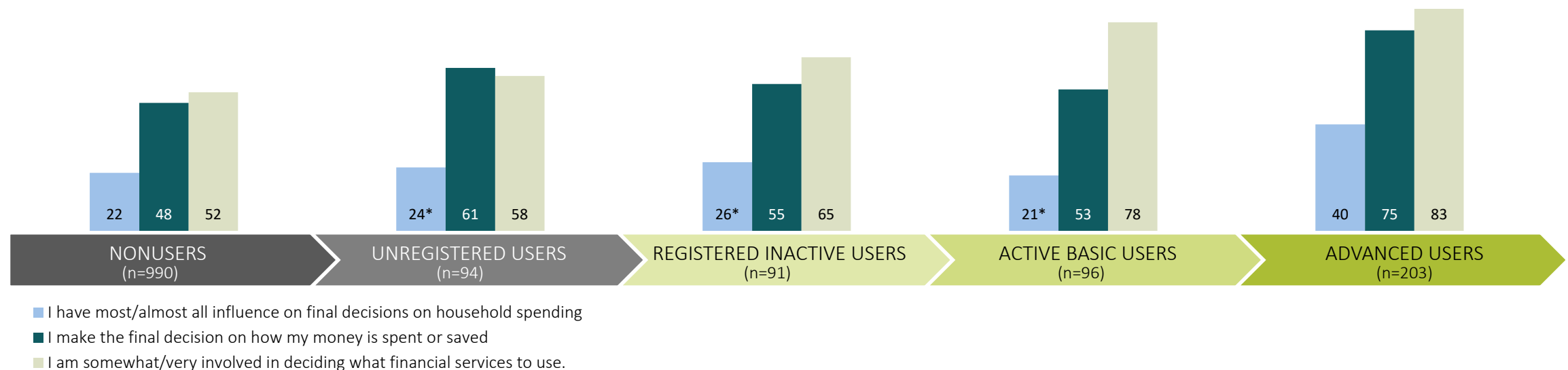


WOMEN'S EMPOWERMENT INCREASES ON THE CUSTOMER JOURNEY

- Women's involvement in deciding what financial services to use has the strongest positive correlation with progress on the customer journey, increasing with each successive stage.
- Four in 10 (40%) female advanced users agreed they have most/almost all influence on final decisions regarding household spending. Further, three in four (75%) female advanced users reported they make the final decision on how their personal money is spent or saved.
- These findings suggest that increased autonomy is an advantage of greater financial inclusion.

2017: Economic empowerment indicators, by customer journey segment

(Shown: Percentage of Côte d'Ivoire women in each segment)



*Fewer than 50 observations

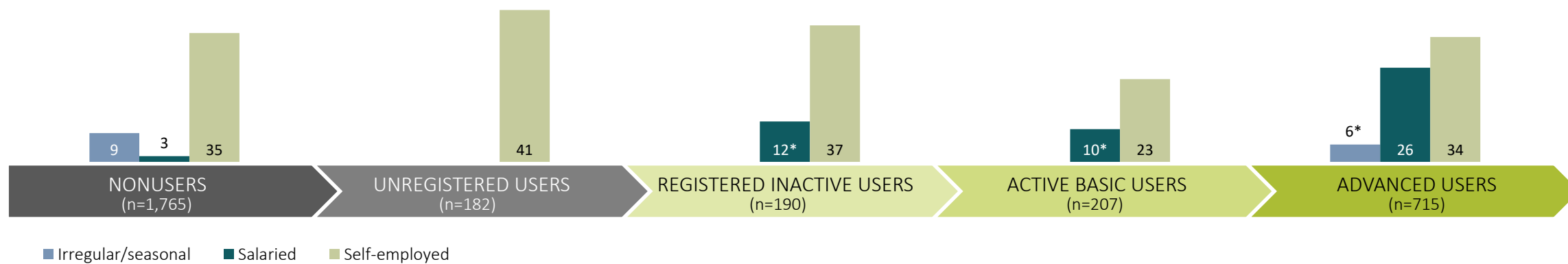
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

NEARLY ALL SALARIED WORKERS ARE FINANCIALLY INCLUDED

- As in most African countries, the informal sector is prominent in the Ivorian economy. Overall, self-employment constitutes a greater share of informal employment than wage employment, and the self-employed form the largest income group in all segments of the customer journey. This finding suggests that marketing financial products and services for the self-employed is necessary to move more of the population out of the nonuser and unregistered user groups into the later stages of the journey.
- Salaried workers were nine times more prevalent among advanced users than nonusers.

53% of the adult population has employment income.

2017: Employment status, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each segment)



*Fewer than 50 observations

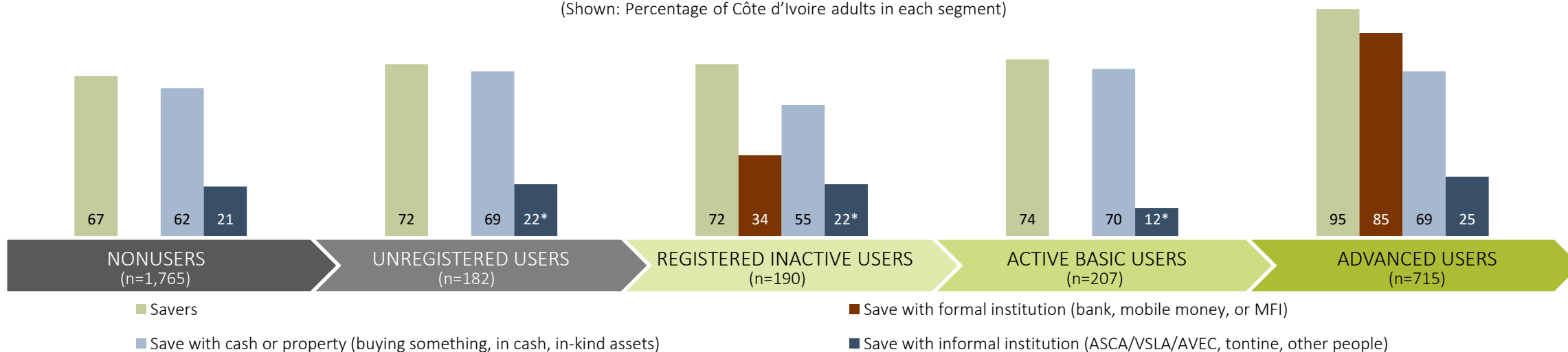
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

IVORIAN ADULTS USE A RANGE OF SAVING METHODS

- A variety of saving mechanisms are used by those in all customer journey segments, though only registered inactive and advanced users have used formal institutions to save. More advanced users save versus those in any other group, most commonly using formal institutions, but they also save using cash, property and informal institutions in similar proportions to those in most other groups. The use of both formal and informal saving channels suggests that formal financial institutions may not offer all of the savings products that adequately meet their customers' needs.
- Nonusers' inability to access formal financial institutions restricts their saving options to saving in cash or property and with informal institutions, (62% and 21%, respectively).

75% of adults reported saving in 2017.

2017: Savings behavior, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each segment)



*Fewer than 50 observations

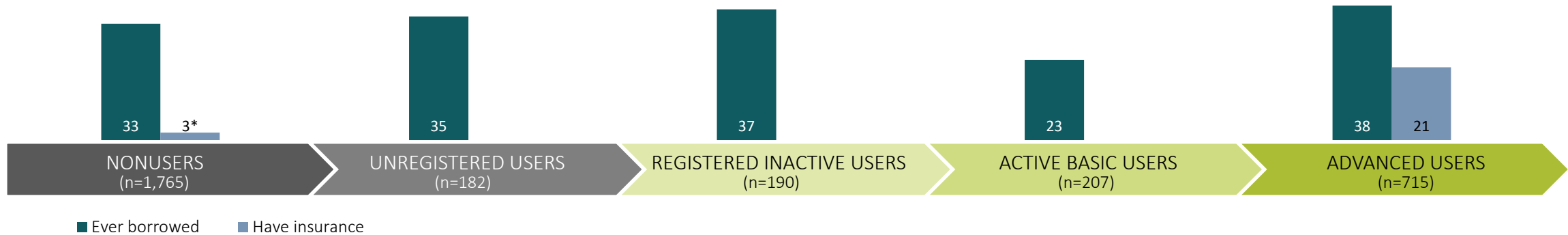
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

THE PREVALENCE OF BORROWING IS SIMILAR ACROSS SEGMENTS

- Across all the user segments, less than 40% of adults had ever borrowed. Nonusers of formal financial institutions borrowed from informal sources only, such as friends and family.
- Borrowing from informal sources is the rule across the customer journey; the percentage of those who currently have a loan with a formal institution is negligible (2%). There is a clear market opportunity for new mobile money credit products to meet demand from borrowers.
- Only 8% of all adults had any insurance. Those with insurance accounted for 21% of the advanced user group.

6% of registered users of mobile money used the channel to borrow informally.

2017: Credit and insurance behavior, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each segment)



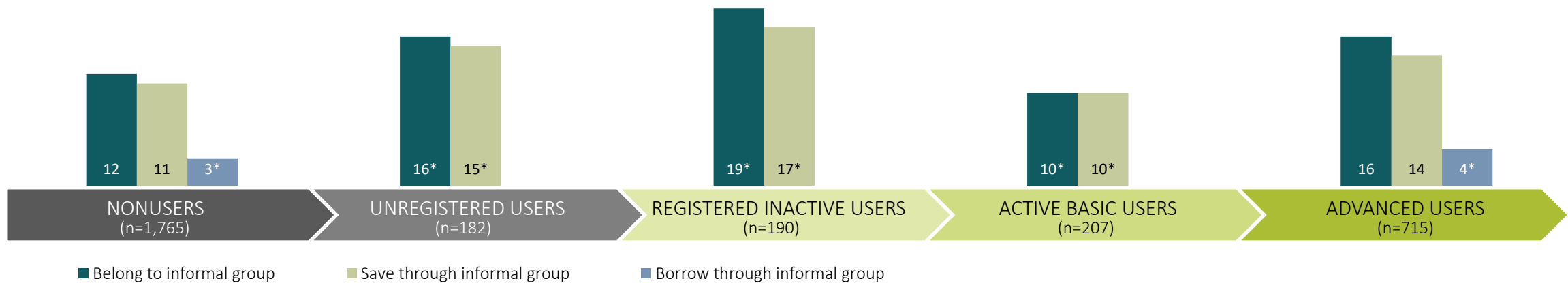
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

INFORMAL GROUPS ARE USED BY ALL SEGMENTS

- Across all segments, adults belong to informal groups in comparable proportions. They are more likely to save than to borrow through these groups, suggesting informal groups offer more attractive methods for saving than for borrowing.
- Informal groups are perhaps most important for providing savings and loan services to nonusers, who, by definition, do not use formal institutions. Informal groups are, however, used by a larger proportion of advanced users than nonusers, which suggests that informal groups complement formal institutions for diversifying savings among users.

2017: Membership and uses of informal financial groups, by customer journey segment
 (Shown: Percentage of Côte d'Ivoire adults in each segment)



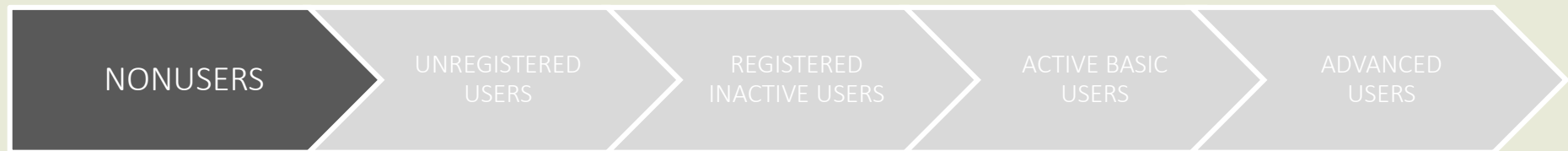
*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

SUMMARY

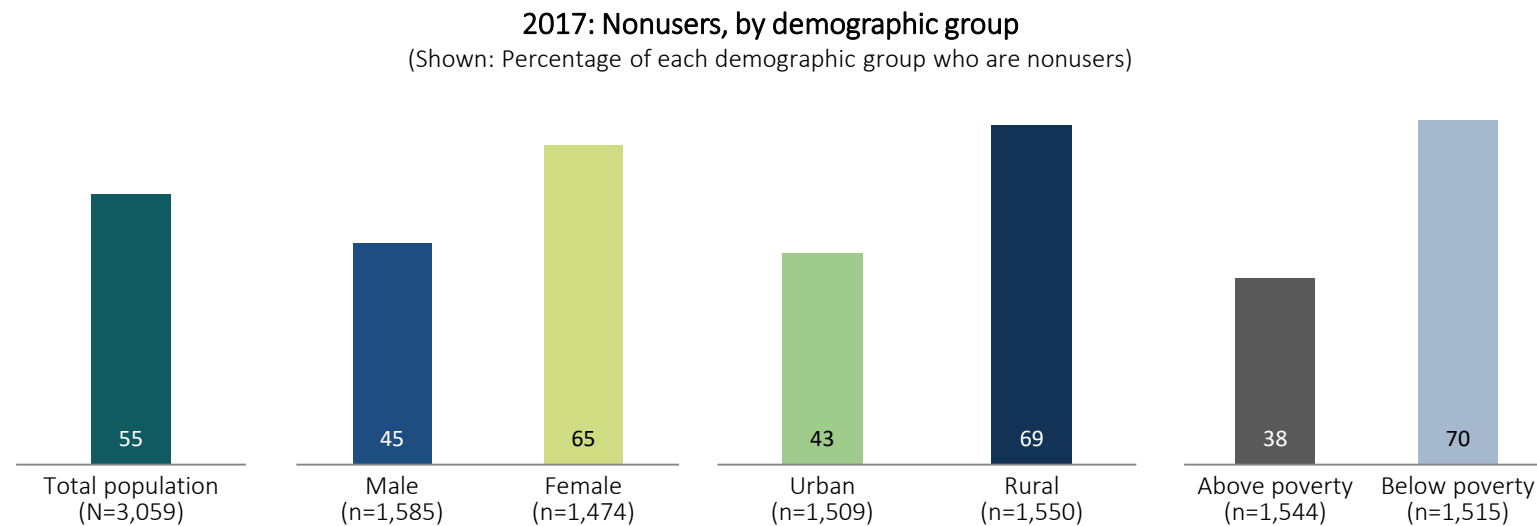
- The majority of adults are not financially included.
- For those who have embarked on the customer journey to financial inclusion, only one in four use advanced activities such as bill payments, savings, credit and insurance.
- Men, urban residents and adults living above the poverty line are more likely to be financially included than their counterparts.
- Greater financial health and capacity is correlated with financial inclusion.
- Women's economic empowerment also increases with financial inclusion.
- Ivorian adults use both formal and informal savings channels. However, very few borrow from formal institutions. Informal groups are used more for saving than borrowing needs.

NONUSERS



NONUSERS, BY DEMOGRAPHIC GROUP

- More than half (55%) of adults are nonusers of any formal financial services.
- Nonusers of formal financial services are more likely to be women, rural residents, and those below the poverty line (i.e., living on less than \$2.50 per day).

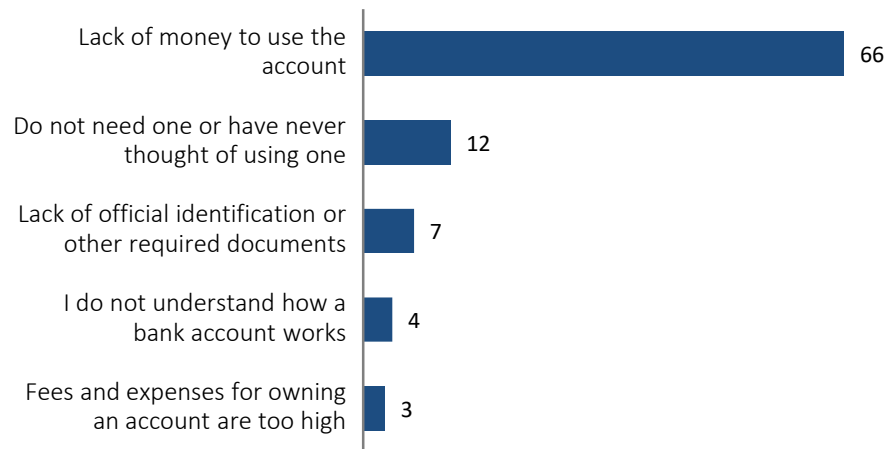


LACK OF MONEY IS THE MAIN BARRIER TO ACCESS AND REGISTRATION

- The biggest barrier to bank account registration among nonusers is the perception they lack money to use the account (66%). One in 10 (12%) reported they do not register for an account because they do not need one or have not thought of using one.
- A considerable number of nonusers (33%) report they lack the money to use a mobile money account, one in five (18%) feel they do not need to use mobile money.

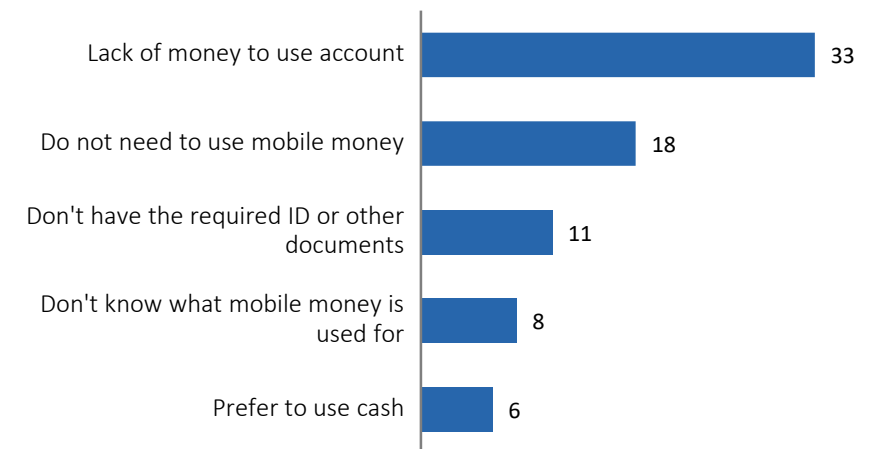
2017: Reasons for not registering a bank account

(Shown: Percentage of bank nonusers reporting somewhat/strongly agree, n=2,847)



2017: Reasons for not using mobile money

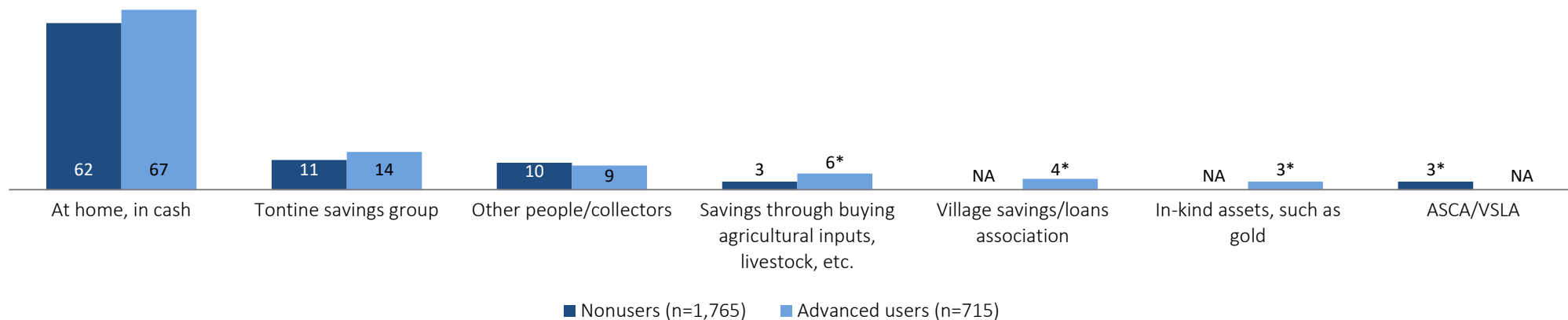
(Shown: Percentage of mobile money nonusers reporting somewhat/strongly agree, n=1,835)



THE MAJORITY OF NONUSERS SAVE MONEY AT HOME, IN CASH

- Nearly two-thirds of nonusers have ever saved (67%), and the majority reported saving in a safe place, at home or on oneself, in cash (62%). This proportion is comparable to the proportion of advanced users who saved at home (67%).
- However, more than eight in 10 advanced users also saved with formal institutions.

2017: Methods of saving
 (Shown: Percentage of nonusers and advanced users)



*Fewer than 50 observations

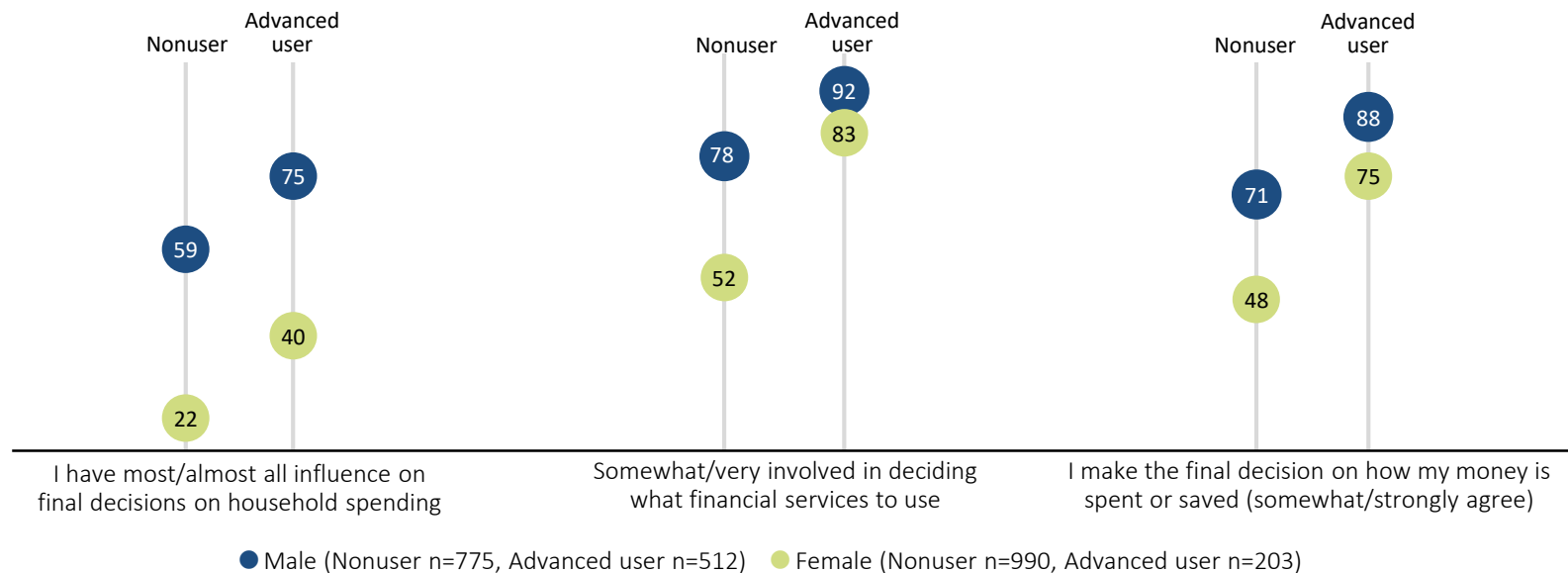
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

GENDER GAPS ARE WIDER AMONG NONUSERS

- Progress on the customer journey empowers both men and women; both male and female nonusers show lower levels of empowerment than their advanced user counterparts across the three indicators of influence and autonomy. While men show higher empowerment indicators than women in both groups, the gender gaps on deciding what financial services to use and how to spend personal money are substantially narrower within the advanced user group compared to the nonusers. This finding suggests that progress on the customer journey promotes women’s economic empowerment.
- Financial inclusion shows little effect on the gender disparity when it comes to influence on final decisions regarding household spending. The gender gap among nonusers was 37 percentage points compared to 35 points among advanced users.

2017: Influence and autonomy on personal and household financial decision making

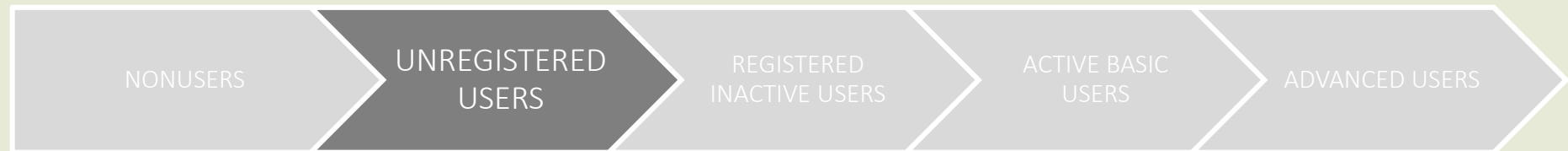
(Shown: Percentage of Côte d'Ivoire adults in each group, by gender)



NONUSERS: SUMMARY

- Women, rural residents and the poor were the most likely to be nonusers of financial services.
- The most often reported barrier to using formal financial services was perceived lack of money.
- Nonusers primarily save in cash, at home, and also use a variety of informal methods of saving.
- Female nonusers have less influence on household and personal financial decision making than male nonusers, and all nonusers are less empowered than advanced users.

UNREGISTERED USERS

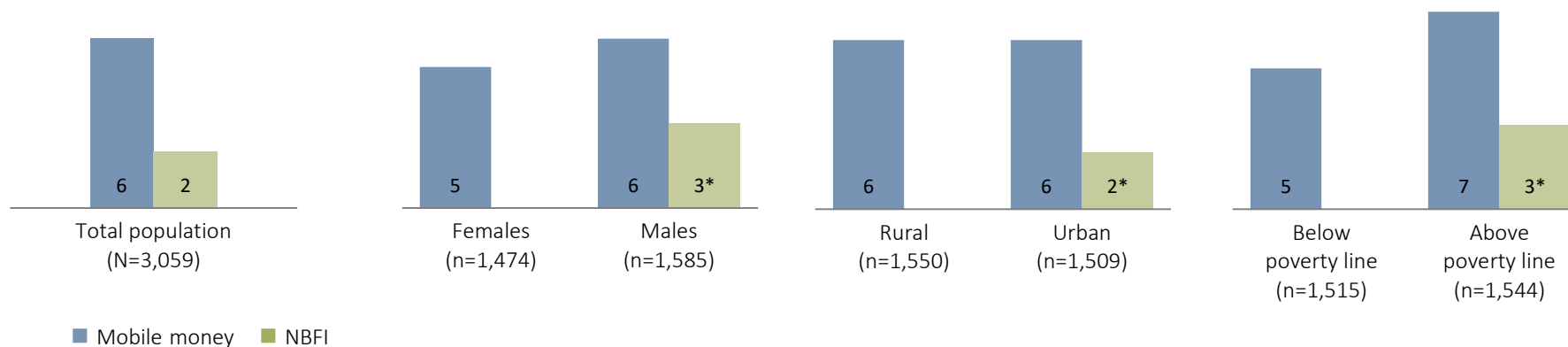


UNREGISTERED USERS MAINLY USE MOBILE MONEY

- Among the adult population, users of formal financial services who do not have a registered account tend to be mobile money users (6%), who access services over-the-counter (OTC) through agents. Only 2% of adults reported using an NBFi through another person's account, and no bank users reported doing so.
- Unregistered users of mobile money are distributed across all demographic groups in nearly equal proportions.

2017: Unregistered users, by demographic and service type

(Shown: Percentage of each demographic group who are unregistered users of each type of institution)



*Fewer than 50 observations

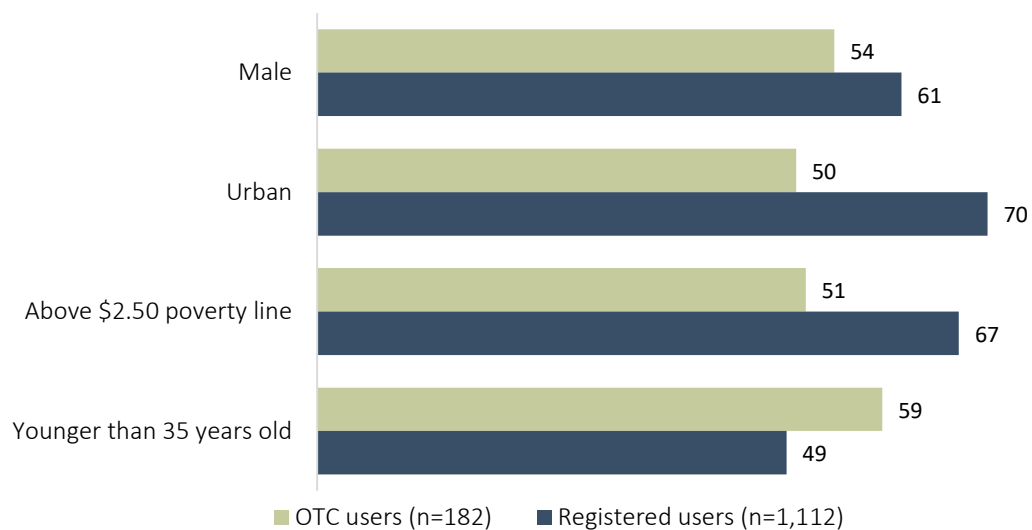
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

UNREGISTERED VERSUS REGISTERED MOBILE MONEY USERS

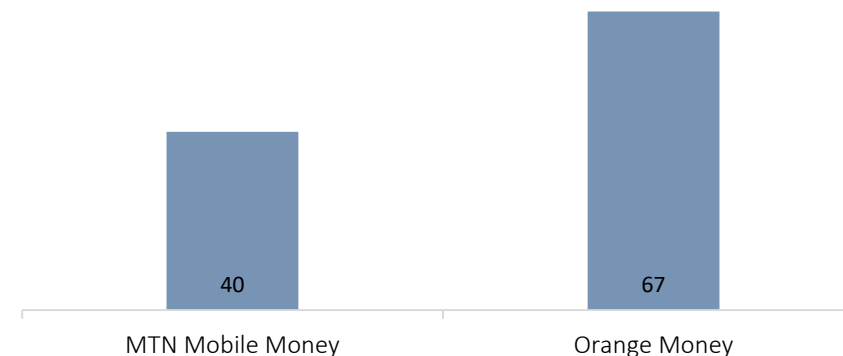
- The majority of unregistered, or over-the-counter (OTC) mobile money users are men and adults below age 35. There are no urban/rural and wealth differences among OTC users.
- OTC users use Orange Money the most, followed by MTN Mobile Money.

6% of all adults accessed mobile money OTC.

2017: OTC mobile money users vs. registered users, by demographic
 (Shown: Percentage of Côte d'Ivoire adults who access mobile money)



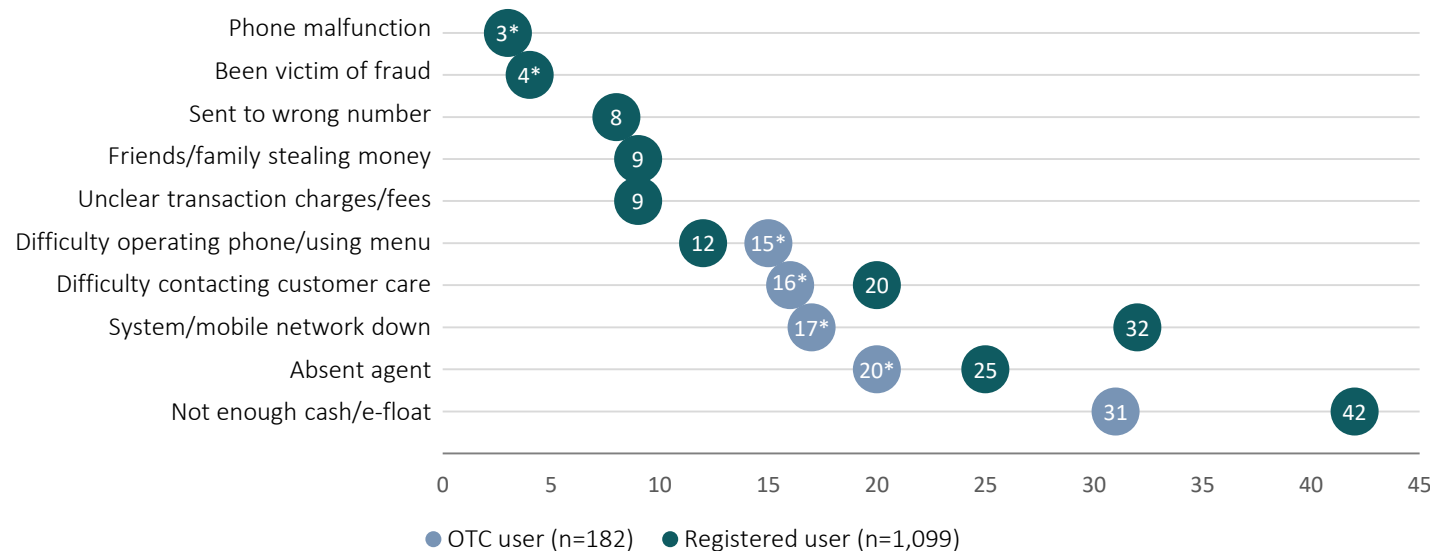
2017: OTC mobile money users, by provider type
 (Shown: Percentage of Côte d'Ivoire adults who access mobile money OTC, n=182)



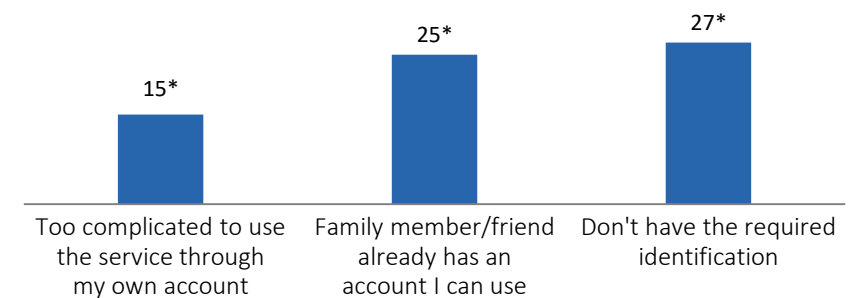
ATTITUDES AND EXPERIENCES WITH MOBILE MONEY

- Registered users of mobile money are more likely to report negative experiences with agents than are OTC users, with the exception of reported difficulty using the phone menu. Negative experiences with agents may be drivers of account registration rather than OTC use among those who have the digital skills to use mobile money independently.
- One in four unregistered users (25%) do not register a mobile money account because a friend or relative has an account they can use, suggesting low frequency of use and/or an inability to use an account without assistance from someone with greater digital skills. Twenty-seven percent do not register an account because they do not have the required documentation.

2017: Negative experiences with mobile money agents, by user type
 (Shown: Percentage of user group reporting somewhat/strongly agree)



2017: Reasons for not registering a mobile money account
 (Shown: Percentage of unregistered users reporting somewhat/strongly agree, n=182)



*Fewer than 50 observations

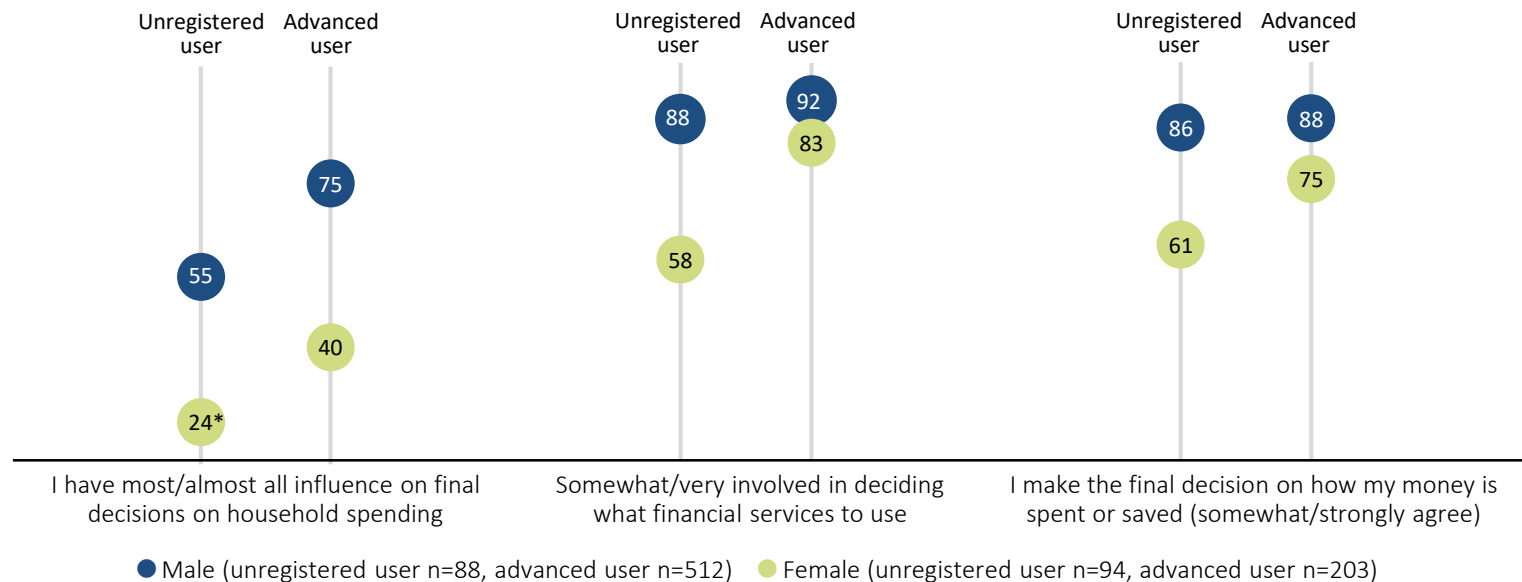
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

LARGE GENDER GAPS AMONG UNREGISTERED USERS

- The gender gap among unregistered and advanced users is close (31 and 35 percentage points, respectively) when it comes to who has the most/almost all influence on the final decisions on household spending.
- When it comes to deciding what financial services to use, the gender gap for unregistered users is more than three times that of advanced users.
- The gender gap for unregistered users is almost twice that of advanced users when it comes to deciding who makes the final decision on how personal money is spent or saved.
- Unregistered users show the same level of empowerment as nonusers on all three indicators of influence and autonomy.

2017: Influence and autonomy on personal and household financial decision making

(Shown: Percentage of Côte d'Ivoire adults in each group, by gender)



*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

UNREGISTERED USERS: SUMMARY

- Unregistered users primarily use mobile money services over-the-counter.
- Orange Money and MTN Mobile Money are the main mobile money providers for unregistered users.
- Unregistered users tend to be males, urban residents, living above the poverty line, young and financially illiterate.
- They are less likely than registered mobile money users to report negative experiences with agents.
- Female unregistered users have less influence and autonomy on both household and personal financial decision making.
They have the same level of empowerment as female nonusers.

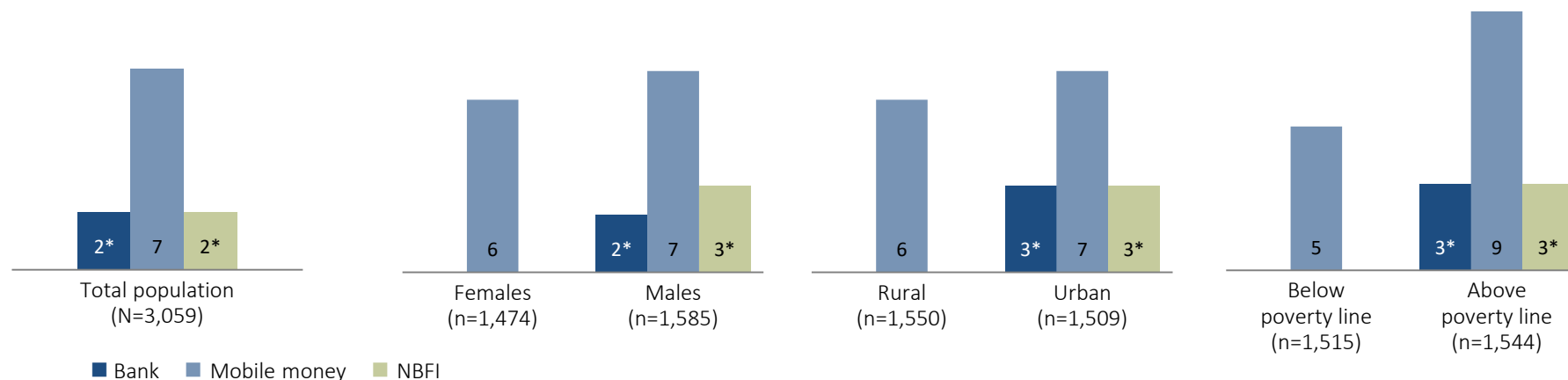
REGISTERED INACTIVE USERS



REGISTERED INACTIVE USERS ARE RARE

- Seven percent of adults were inactive users of registered mobile money accounts in the 90 days prior to the survey. Account inactivity within the last 90 days prior to the survey was higher among men, urban residents, and adults from households above the poverty line than it was among women, rural residents, and below-poverty adults. Ownership of a dormant (never used) mobile money account was reported by 5% of registered mobile money users.
- All female registered users of banks and NBFIs used their accounts actively. Because of the small number of observations, results for rural and below-poverty inactive users of banks and NBFIs are not reliable, and are, therefore, not displayed.

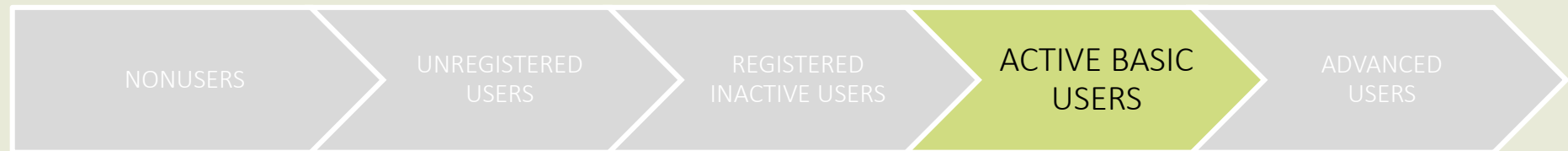
2017: Inactive users of registered financial accounts, by demographic and service type
 (Shown: Percentage of each demographic group who are registered inactive users of each type of institution)



*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

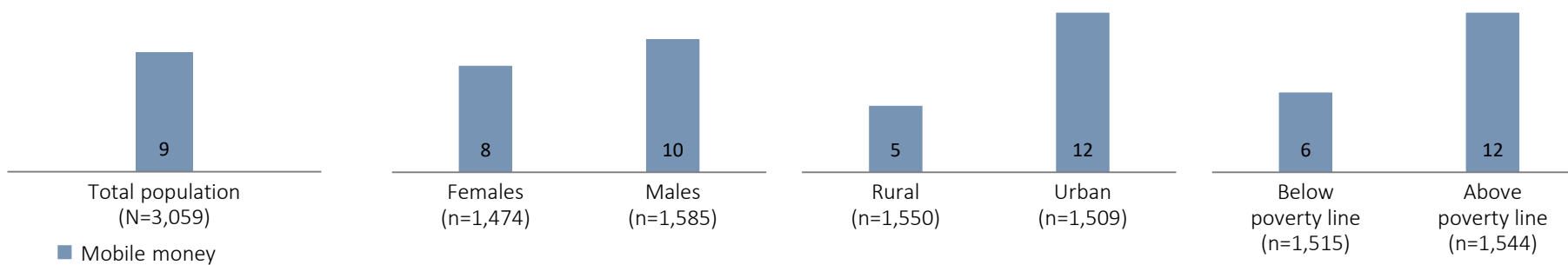
ACTIVE BASIC USERS



ACTIVE BASIC USERS OF MOBILE MONEY

- Active basic users of registered financial accounts are uniformly registered users of mobile money who use their accounts only for cash-in, cash-out and person-to-person transfers. No registered users of banks, and a statistically insignificant number of NBFi account holders, reported only basic use in the 90 days before the survey. Rather, active users of banks and NBFIs used their accounts for advanced activities, such as saving.
- More active basic users in urban areas and those with above-poverty incomes used mobile money relative to those in the rural and below-poverty groups. There was little difference between the prevalence of active basic users among men versus women.

2017: Active basic users of registered financial accounts, by demographic
 (Shown: Percentage of each demographic group who are active basic users of mobile money)

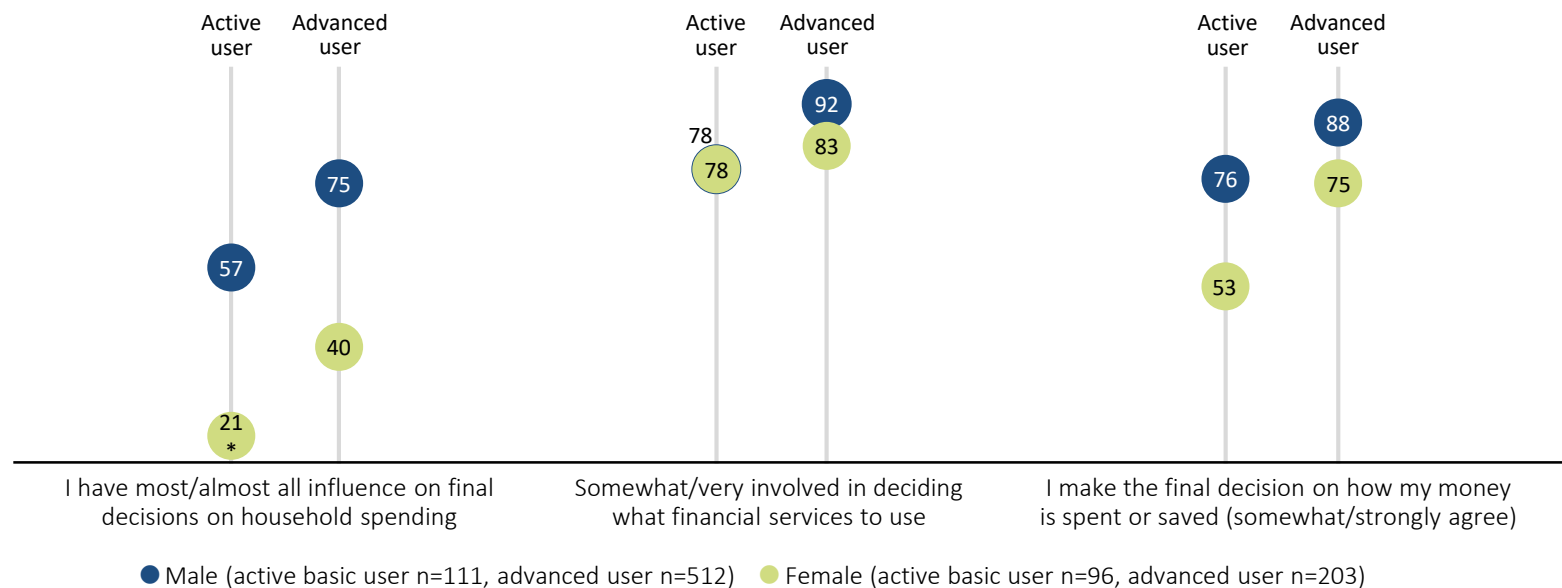


ACTIVE BASIC USER ECONOMIC EMPOWERMENT, BY GENDER

- As with users in the earlier stages of the customer journey, overall, active basic users showed lower levels of empowerment than advanced users. Also, there were gender gaps of similar size within both the active basic and advanced user groups on influence over household spending decisions. Female advanced users reported similar levels of autonomy over personal financial decisions as male active basic users – a 22 percentage-point advantage over female active basic users. This finding shows the importance of progress to the advanced user stage for women.
- No gender gap was found among active basic users on decision making over what financial services to use, which suggests that active use of a mobile money account is particularly empowering for women on this indicator.

2017: Influence and autonomy on personal and household financial decision making

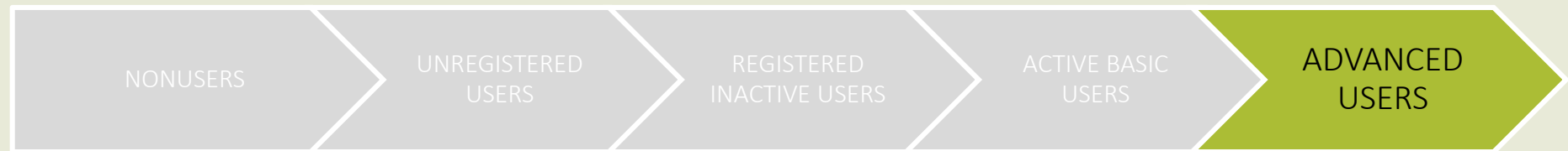
(Shown: Percentage of Côte d'Ivoire adults in each group, by gender)



*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

ADVANCED USERS

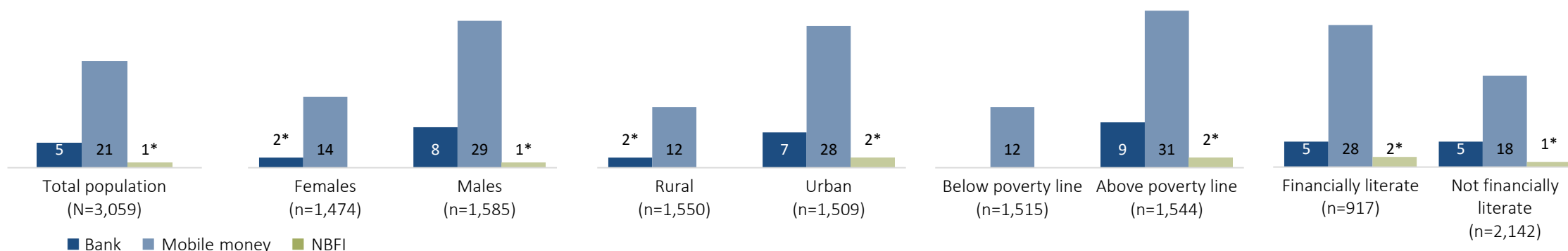


MOBILE MONEY DRIVES FINANCIAL INCLUSION ACROSS DEMOGRAPHICS

- In 2017, mobile money account holders (21%) were a greater proportion of advanced users, followed by bank account holders (5%) and nonbank financial institution (NBF) account holders (1%). Compared to banks and NBFIs, mobile money serves far more women, rural, and below-poverty adults.
- Men, urban residents, financially literate adults and adults from households living above the poverty line made up the largest group of advanced mobile money users. The gender, locality, and income gaps between mobile money users were smaller than the gaps between bank users; banks served 4X more men than women, over 3X more urban than rural residents, and zero below-poverty adults.

2017: Advanced users, by demographic

(Shown: Percentage of each demographic group who are advanced users of each type of institution)



*Fewer than 50 observations

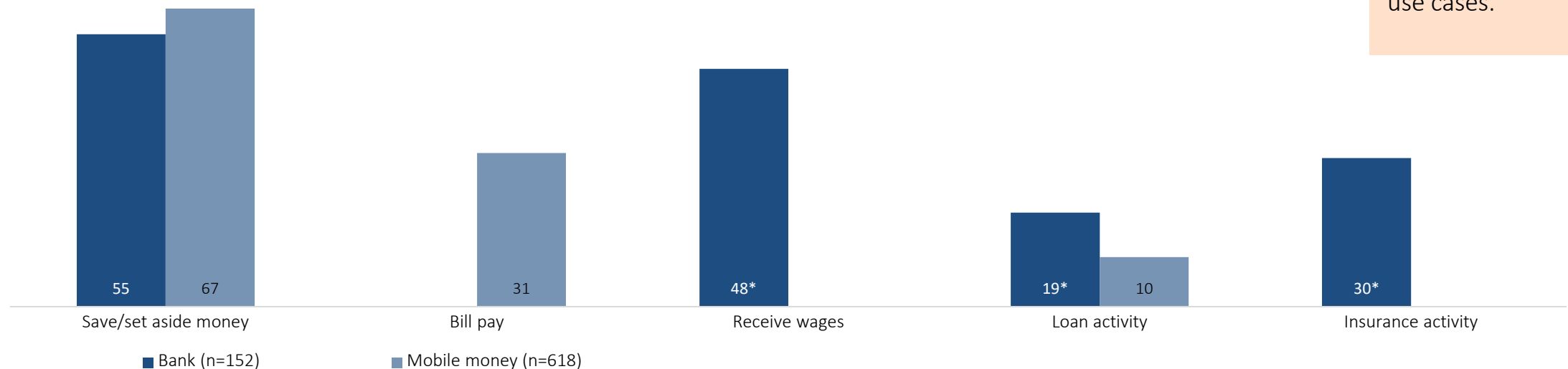
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

FINANCIAL ACTIVITIES OF ADVANCED USERS

- Saving with banks and setting aside money in mobile money accounts were the most common activities reported by advanced users (55% and 67%, respectively). Advanced users save using mobile money and also pay bills and borrow, despite the lack of value-added mobile money products on the market that cater to these financial needs.
- Across all segments, the advanced user group had the largest proportion of adults who were salaried (see slide 40). Nearly half (48%) of advanced users have used their bank accounts to receive wages, and 21% reported buying insurance. Neither of these use cases were significant for mobile money.

Saving, bill pay, and loan activity are clear opportunities for new, specialized mobile money products that facilitate existing use cases.

2017: Advanced user activities in last 90 days, by institution
 (Shown: Percentage of account holders for each type of institution)



*Fewer than 50 observations

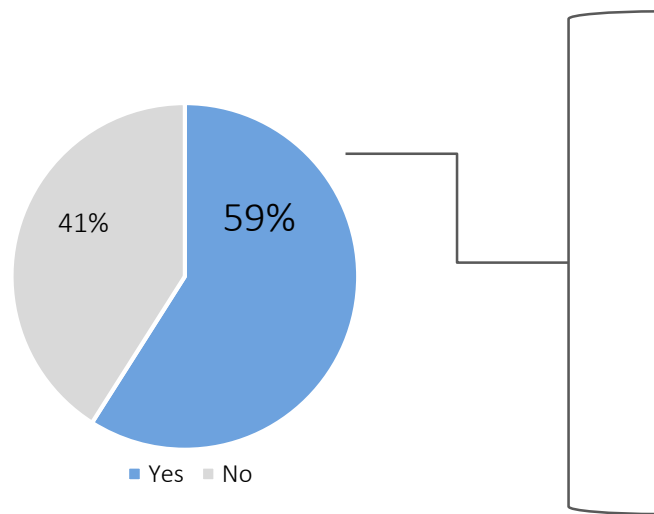
Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

SPECIAL TOPIC: MOBILE CREDIT

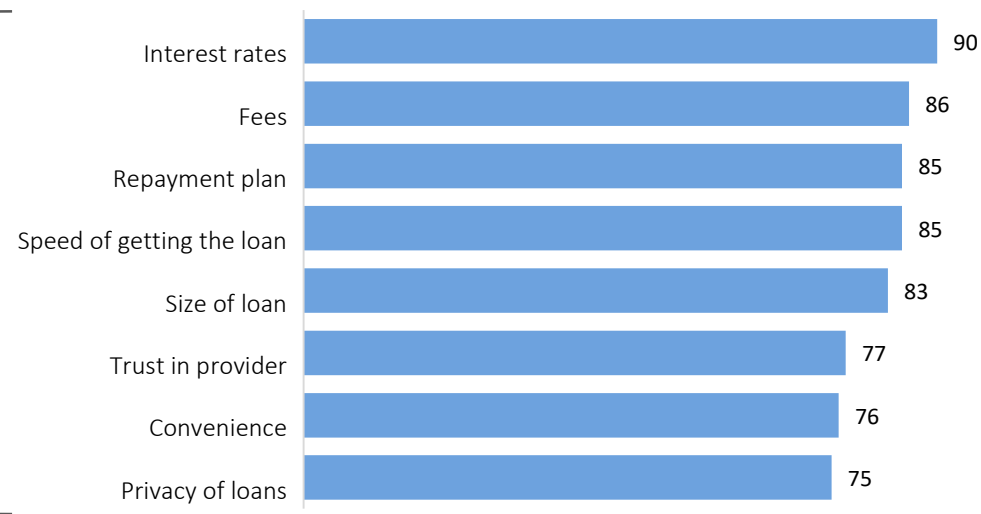
MOST WOULD USE MOBILE CREDIT IF IT WERE AVAILABLE

- Six in 10 adults expressed interest in using digital credit (taking a loan through their mobile phone) if such a product was available to them.
- A greater proportion of active advanced users (74%) relative to the other groups expressed their interest in using a digital credit product.
- Interest rates and fees are the most important factors to potential customers, but are only marginally more important than the loan size, disbursement speed and repayment plan. Convenience, provider trust and privacy follow closely behind these factors.

2017: Likelihood of using mobile credit
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



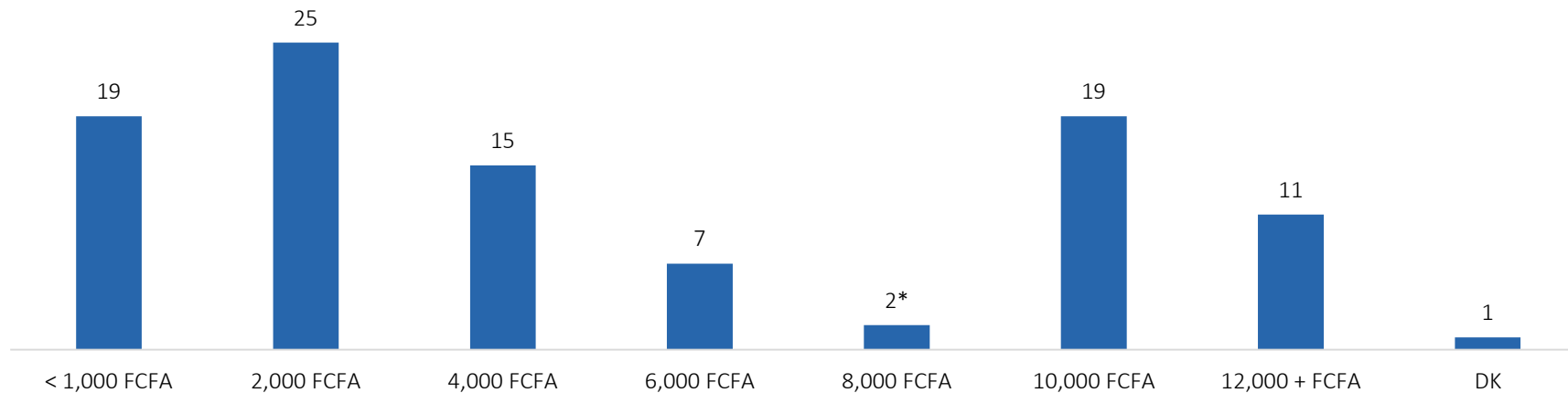
2017: Characteristics of mobile credit that would motivate use
 (Shown: Percentage of Côte d'Ivoire adults interested in using mobile credit, n=1,782)



WILLINGNESS TO PAY FOR CREDIT AND UNMET DEMAND

- Advanced users are willing to pay interest for a renewable 30-day loan acquired through a mobile phone service. The majority (79%) is willing to pay 2% or more for a loan of 100,000 FCFA and four in 10 would be willing to pay 6% and above.
- Given high demand for mobile credit, reported willingness to pay, and the very small proportion of adults who currently have a loan with a formal institution, these findings suggest that current credit offerings do not adequately meet demand.

2017: Interest charges on a loan of 100,000 FCFA
 (Shown: Percentage of Côte d'Ivoire adults, N=3,059)



*Fewer than 50 observations

Source: InterMedia CGAP Côte d'Ivoire (N=3,059, 15+), August-October 2017.

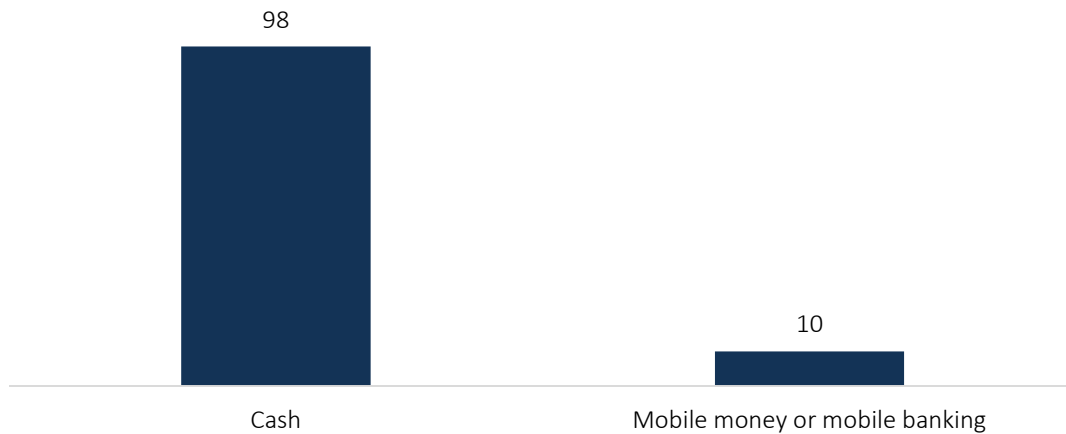
SPECIAL TOPIC: MERCHANT ECOSYSTEM

CASH IS KING FOR MERCHANTS

- Cash was the main mode of payment. Nearly all merchants (98%) reported accepting cash as payment from their customers. Of the other modes of payment, only one in 10 accepted mobile money or mobile banking.
- Similarly, nearly all merchants paid their suppliers in cash.

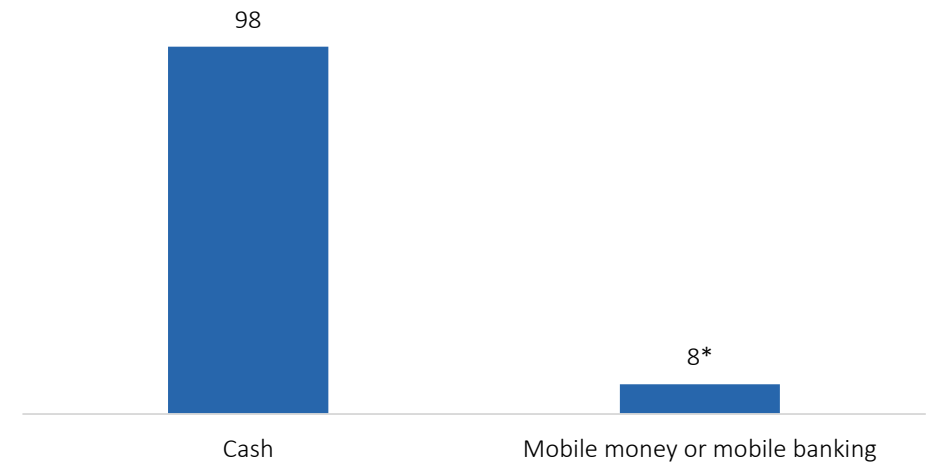
2017: Modes of payment accepted by merchants from customers

(Shown: Percentage of Côte d'Ivoire adults who have a job handling transactions, n=455)



2017: Modes of payment to suppliers from merchants

(Shown: Percentage of Côte d'Ivoire adults who have a job handling transactions, n=455)



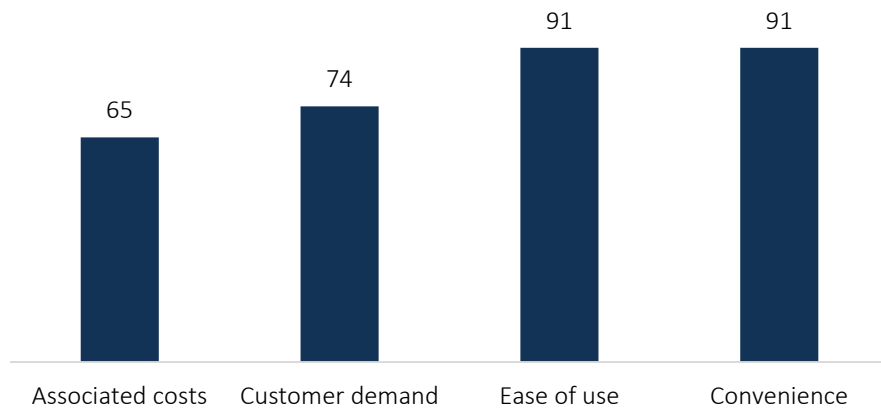
*Fewer than 50 observations

MERCHANTS' REASONS FOR ONLY ACCEPTING CASH

- Merchants reported a variety of reasons and benefits behind their decision to only accept cash from their customers.
- Nine in 10 reported that ease of use and convenience are somewhat or very important to their decision to only accept cash.
- About nine in 10 merchants also agreed that accepting only cash from customers is less expensive for them and makes purchasing inventory/inputs easier.

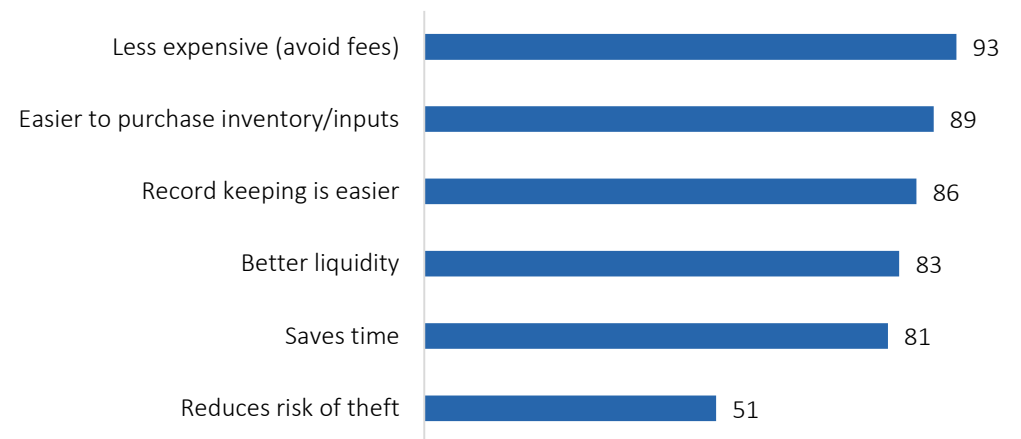
2017: Merchants' reasons for only accepting cash from customers, by importance

(Shown: Percentage of Côte d'Ivoire merchants who only accept cash, n=406)



2017: Merchants' perceived benefits of accepting only cash from customers

(Shown: Percentage of Côte d'Ivoire merchants who only accept cash, n=406)



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