TANZANIA SUMMARY - PAGE 1

CURRENT MOBILE MONEY SOLUTION

Currently 5 mobile money solutions offered.

POPULATION

51 million

MOBILE PENETRATION

55% (high)

BANKED POPULATION

19% through financial institutions, 40% overall [Source: World Bank FINDEX]

PERCENT UNDER POVERTY LINE

28.2% (2012) [Source: World Bank]

ECONOMICALLY ACTIVE POPULATION

Workforce: 26.11 million (2015) [Source: CIA]

ADULT LITERACY

70.6% of Tanzanians, age 15 and over, can read and write (2015) [Source: CIA]

MOBILE NETWORK OPERATORS

Vodacom (12.4 million subscribers)

Tigo (11.4 million subscribers)

Airtel (10.7 million subscribers)

Zantel (1.2 million subscribers)

There are smaller MNO’s eg Halotel (4%), Smart (3%) and TTCL (1%) but they are marginal and do not currently offer mobile money at this time.

OVERALL READINESS RANKING

The telcom sector has dramatically improved access through mobile money. Over 40% of mobile money subscribers are active on a 90-day basis. The financial sector has begun to incorporate agency banking into their channel strategies. Scope for improvements in strategy formulation and execution exists. Distribution in rural areas is difficult as population density is low and infrastructure is poor. 4 (Moderate)
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MOBILE BANKING MARKET POTENTIAL

### Key Country Statistics

- Population: 51 million [Source: CIA]
- Age distribution: 44% (0-14 years), 20% (15-24 years), 30% (25-54 years), 3% (55-64 years), 3% (over 65 years) [Source: CIA]
- GDP (PPP): $135.5 billion (2015) [Source: CIA]
- GDP per Capita (PPP): $2,900 (2015) [Source: CIA]
- Urban/Rural split: 31.6% of population lives in urban areas (2015) [Source: CIA]
- Literacy Rate (age 15 and over can read and write Swahili, English or Arabic): 70.6% total, 75.9% male and 65.4% female (2015) [Source: CIA]
- Account Penetration: 40% all transaction accounts, 19% account with financial institution, 32% mobile account (2014) [Source: World Bank FINDEX]
- Mobile sim penetration: 55% (2014) [Source: GSMA]
- Unique Mobile Subscribers: 15.5 million (2014) [Source: GSMA]

### Insights

- Mobile technology has had significant positive effects on financial access, ownership, and usage in Tanzania, but levels of usage of digital financial services in general remain low.
- DFS for agriculture still has some potential, given limited number of applications active.
- Policy and regulatory landscape appears favorable to further development as Tanzania continues to clarify important concepts (agency, electronic transactions etc).
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In addition to BOT’s primary objective of pursuing domestic price stability, BOT also assumes several roles in the National Payment System (NPS) including (1) as a user of the NPS, (2) a member of the NPS, (3) a provider of Payment Systems, (4) a guardian of public interest, (5) an overseer of the NPS and (6) a guarantor of daily settlement functionality.

BOT embraced new, more ambitious financial inclusion objectives in the National Financial Inclusion Framework (NFIF 2014/2017)

- 80% of adult population using a financial access point
- 70% of population living <5 km of a financial access point

The Tanzania Communications Regulatory Authority (TCRA) is responsible for regulation of Communications and Broadcasting sectors in Tanzania, including MNOs.

The Tanzanian government has made several political commitments to inclusion (NFIF) and changes in the legal framework can help to facilitate its implementation, including:

- National payment Systems Act, 2015
- Electronic Transactions Act, 2015
- Payment systems Licensing and Approval Regulations , 2015

To participate in the mobile money business, non-banks and non-FIs must have “Trust Entity,” which does not have to be a bank, but a dedicated separate account with a bank is required to hold e-money deposits.

E-money issuer may engage agents, but issuer remains ultimately responsible for compliance with applicable laws (AML/CFT, KYC, consumer protection etc)
### Current Regulations

<table>
<thead>
<tr>
<th>E-Money Issuer</th>
<th>Trust Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Non-bank/FI E-money issuers are required to have a trust account and establish a separate legal entity (Trust Entity) to manage a trust account [Reg 27(1)]*</td>
<td>▪ Required to publish audited financial statements within 3 months of financial year closure [Reg 33]*</td>
</tr>
<tr>
<td>▪ Banks or Fis are required to establish a dedicated and separate account and keep records of customers’ account balances [Reg 28]*</td>
<td>▪ Responsible for risk management, including ▪ Meeting technical standards outlined by BOT ▪ Separate account to avoid comingling of funds ▪ Conduct annual audit of E-money issuance system, and submit proof to BOT</td>
</tr>
<tr>
<td>▪ Minimum capital requirement of TZS 500 million [Reg 14 (1)]</td>
<td></td>
</tr>
</tbody>
</table>

### Implications

| ▪ Minimum capital requirement applies to all licensed e-money issuers, regardless of type of entity | ▪ Requirement to publish audited financial statements may limit options for who can perform the function of “Trust Entity” |

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*The Electronic Money Act, 2015*
The Electronic Money Act, 2015 (Reg 35 (1)) identifies 4 categories of customers, each with different AML/KYC procedures and with different daily balance and transaction limits.

- Acceptable forms of photo ID include: national ID, passport, voter’s registration card, social security ID, employment ID or letter from ward/village executive
- MNO must have AML/CFT intelligent systems, auditable transaction records, AML/CFT staff, and submit STRs

<table>
<thead>
<tr>
<th>Current Regulations</th>
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<tbody>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting the minimum requirements (registered phone number and registered mobile money account) permits access to the Tier I accounts (max single/daily transaction TZS 1 million and max daily balance TZS 2 million) and mobile money transactions</td>
</tr>
<tr>
<td>Photo ID** required for all cash-in and cash-out transactions, regardless of account type</td>
</tr>
<tr>
<td>BOT reviews and approves agency agreements</td>
</tr>
<tr>
<td>E-money issuer ultimately remains responsible for compliance with applicable laws</td>
</tr>
<tr>
<td>Exclusivity agreements appear not to be permitted, but some sources indicate that a significant share (62%) of M-Pesa agents are exclusive -&gt; possibly other commercial incentives or tacit agreements in place</td>
</tr>
</tbody>
</table>

* The Electronic Money Act, 2015

**National Identification Authority (Nida) is expected to use National Election Committee (NEC) data to accelerate progress on the biometric ID project which, as of [March 2016](#), had only issued 2.5 million IDs
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## FINANCIAL INCLUSION – ACCESS AND USAGE

<table>
<thead>
<tr>
<th>Access</th>
<th>Ownership/Usage</th>
<th>Key Insights</th>
</tr>
</thead>
</table>
| • 37.4% of adults live within 5km radius of a financial access point (bank branch/ATM, MFI, SACCOS or mobile money agent)¹ | • Rates of ownership of various financial services/products among Tanzanian adults (age 15+)²  
  • Account 39.8%  
  • Mobile Account 32.4%  
  • Debit card 11.5%  
  • Debit card (own name) 10.2%  
  • Credit card 0.7%  
  • Rates of usage of various financial services/products among Tanzanian adults (age 15+, percentage of owners)²  
  • Used debit card in last year 4.3%  
  • Used credit card in last year 0.4%  
  • Usage of mobile accounts  
  • Of those who save formally, 21% keep savings on their mobile phones, compared to 12% in a bank¹ | • Mobile money agents have made the largest contribution to increased financial access  
 • Usage of mobile financial services appears more equitable, compared to bank and formal financial services which are significantly skewed towards urban areas, males, adults age 31-60, higher income, formal employment and at least secondary education¹  
 • Stringent enforcement of AML/KYC requirements (including proof of residency) will significantly restrain inclusion efforts  
 • While access to and ownership of accounts has increased significantly, usage levels of electronic payments remains low |

¹ Finscope Tanzania 2013; valid ID defined as a voter registration card, passport, driver’s license, valid work/staff/student identity card or a Zanzibar resident identity card; proof of residence defined as a utility bill.
http://datatopics.worldbank.org/financialinclusion/country/tanzania
The Financial Sector in Tanzania is comprised of 4 types of entities:

1) **Commercial Banks (41):** defined as an entity engaged in the banking business, which refers to the business of receiving funds from the general public through the acceptance of funds payable upon demand or after a fixed period or after notice, or any similar operation through the frequent sale or placement of bonds, certificates, notes or other securities, and to use such funds, in whole or in part, for loans or investments for the account of and at the risk of the person doing such business.¹

2) **Financial Institutions (3):** defined as an entity engaged in the business of banking, but limited as to size, locations served, or permitted activities, as prescribed by the Bank or required by the terms and conditions of its license.¹

3) **Community Banks/MFIs (12):** The Tanzania Association of Microfinance Institutions (TAMFI) lists 99 members, include the 12 community banks licensed by BOT and other “associate members” who, though not directly involved in the provision of micro-finance, are involved in the industry as donors, direct providers of services to MFIs, including Loan Guarantee Funds and providers of technical assistance.² The Ministry of Finance established a National Microfinance Policy in 2000.³

4) **Deposit Taking Microfinance Banks (4):**

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¹ Bank of Tanzania Act, 2006
² Bank and Financial Institutions Act, 2015
³ Tanzania Association of Microfinance Institutions (TAMFI)
⁴ Tanzania Association of Microfinance Institutions (TAMFI) accessed on September 26, 2016 http://www.tamfi.co.tz/uploads/nationalmicrofinancepolicy.pdf
FINANCIAL SYSTEM OVERVIEW – ADDITIONAL PLAYERS

SWITCHING, CLEARING & SETTLEMENT
- UmojaSwitch, the only card switch operating in Tanzania, started in 2006 with 6 member banks and now boasts a membership of 27 banks.
  - Network of 220 ATMs (equivalent to roughly 20% of total) distributed across all regions of Tanzania, including Zanzibar and Pemba.
  - Also provides shared mobile banking (USM) using USSD technology and agency banking as a new delivery channel to member banks.
  - Recently (May 2016) started accepting China Union Pay cards and talks regarding the development of contactless payments, mobile payments and other innovative products are underway.
  - Some degree of interoperability in the East African region accomplished through integration with national switches in East African countries i.e. KenSwitch of Kenya, InterSwitch of Uganda and RSwitch of Rwanda.
- MasterCard cards are accepted at approximately 950 ATMs across Tanzania.
- Tanzania has an Real Time Gross Settlement System (RTGS) – Tanzania Inter-Bank Settlement System, TISS – and an Automated Clearing House (ACH) – Tanzania Automated Clearing House, TACH.

Dar es Salaam Stock Exchange PLC (DSE)
- The DSE was incorporated in 1996; operations commenced in 1998 and the first commercial bank was listed in 2008.
- The Central Depository System (CDS) was deployed in 1999 and the Automated Trading System (ATS) in 2006.
- There are currently only 16 companies listed on the stock market, including 6 banks (Mkombozi Commercial Bank, Mwalimu Comercial Bank, Maendeleo Bank Pl., CRDB Bank, DCB Commercial Bank, National Microfinance Bank) and 1 MFIs (YETU Microfinance PLC**).
- At present, the bond market consists of Treasury bonds (2, 5, 7 and 10 year maturities) anmd 3 outstanding corporate bond issues (May 2016).
- There are several incentives for both listed companies (reduction in corporate taxes from 30% to 25% for 3 years after listing at least 25%, tax deductibility for IPO costs) and investors (reduced capital gains tax, stamp duty, and withholding on dividend and interest income).
- In the last year, market cap has declined (TZS 23.9 billion in Jun 2015 to TZS 21.6 billion in June2016) and domestic companies account for a smaller share of market cap (42% to 37%).
- For more information, visit [http://www.dse.co.tz/content/about-dar-es-salaam-stock-exchange](http://www.dse.co.tz/content/about-dar-es-salaam-stock-exchange)

**Tanzania based company, but not listed on BOT Directory of Banks and Financial Institutions Operating in Tanzania**
FINANCIAL SYSTEM OVERVIEW – ADDITIONAL PLAYERS

CREDIT BUREAUS
- There are 2 private credit reference bureaus operating in Tanzania (Credit Info Tanzania Limited and Dun & Broadstreet Credit Bureau Tanzania) but no credit registry. Credit Info was first licensed by BOT in June 2013 and was the first licensed credit reference bureau in Tanzania. Its shareholders include Hyprop Holdings (local Tanzanian company) and Credit Info International (part of the Credit Info Group).
- D&B Tanzania was incorporated in 2012, licensed by BOT in August 2013 and became operational in September 2013.
- According to Doing Business 2015, these credit bureaus cover 1.3 million individuals (<5% of the adult population) and roughly 45,800 firms. [Source: World Bank]

TANZANIA BANKERS ASSOCIATION (TBA)
- Open to all banks and financial institutions licensed by BOT to provide banking services in Tanzania. There were 34 members as at May 2010, but the association appears to be inactive as the website is several years out of date.
- Facilitated the adoption of a Code of Banking Practice.
- Has several sub-committees focused issues important to the TBA and its members, including payment system development.
<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Total Assets (in TZS)</th>
<th>Total Liabilities (in TZS)</th>
<th>Branches</th>
<th>ATMs</th>
<th>POSS</th>
<th>Agents</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRDB (public)</td>
<td>5,407,817</td>
<td>4,720,419</td>
<td>4,723,088</td>
<td>4,025,346</td>
<td>199</td>
<td>432</td>
<td>778</td>
<td>1746</td>
<td>Rabobank Nederland (34.9%), The Treasury Registrar (31.8%), SCB (T) Nominee Ltd (6.6%), Exim Bank (Tanzania) Limited (6.6%)</td>
</tr>
<tr>
<td>National Microfinance Bank (NMB) (public)</td>
<td>4,723,088</td>
<td>4,025,346</td>
<td>125,206,379</td>
<td>107,716,225</td>
<td>182</td>
<td>600</td>
<td>1500</td>
<td>7</td>
<td>LSF&lt; Accion (20%), Parastatal Pension Fund (11%), Stichting Hivos (8%), Incofin (7%), FMO (7%), Inter Consult Limited (6%) Others (41%)</td>
</tr>
<tr>
<td>Akiba Commercial Bank (private)</td>
<td>125,206,379</td>
<td>107,716,225</td>
<td>125,206,379</td>
<td>107,716,225</td>
<td>18</td>
<td>22</td>
<td>5</td>
<td>12</td>
<td>Dioceses and their institutions (27%), TEC (24%), Other institutions (16%), Individuals (33%)</td>
</tr>
<tr>
<td>Advans Bank (public)</td>
<td>70,854,610</td>
<td>70,639,311</td>
<td>70,854,610</td>
<td>70,639,311</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>12</td>
<td>Advans SA/LETSHEGO Holdings Ltd. (75%), FMO (25%)</td>
</tr>
<tr>
<td>Mkombozi Commercial Bank</td>
<td>64,023,179</td>
<td>52,714,120</td>
<td>64,023,179</td>
<td>52,714,120</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>12</td>
<td>Utta-AMIS (22.62%), Ilala Municipal Council (10.07%), Municipal Councils (Ilala 9.37%, Kinondoni 9.21%, Tembeke 8.41%), National Health Insurance Fund (5.90%), Other (34.42%)</td>
</tr>
</tbody>
</table>

1a Agent business called Fahari Huduma, and the primary agent, according to allAfrica, is the Tanzania Posts Corporation (TPC).  
2 Data as at June 30th, 2016. Source: NMB Bank Quarterly Report March 2016 and NMB website  
3 Akiba Commercial Bank Plc Annual Report and Financial Statements 2014  
5a No proprietary ATMs, but cards accepted at all Umoja switch ATMs  
6 Data as at March 31st, 2016. Source: DCB Quarterly Report March 2016 and DCB website  
7 Stakeholder Meetings (IFC, October 2016)
National Microfinance Bank (NMB) PLC is Tanzania’s leading retail bank, both in customer base (2.2 million customers) and branch network (with 182 branches, 600 ATMs, NBM has a footprint in more than 95% of Tanzania’s districts) and serves individuals, MSMES, as well as larger businesses.

Moving simple teller tasks out of the branches to make better use of alternative delivery channels is a key priority for NMB.

- NMB currently has 1,500 agents, some of whom were directly recruited, and others who acquired via aggregators NMB stared offering mobile banking in 2009. The types of transactions include are information (account balances, mini statement etc), P2P transfers to other NMB customers, to non-NMB customers or to unbanked individuals via a cell phone number (PESA FASTA) for withdrawal at ATMs, help, bill payments (TRA income tax, Vodacom post paid bills, DAWASCO water bills and DSTV bills), and prepaid voucher purchases for mobile phone credit (Zantel, Tigo, Airtel, Vodacom) and electricity (LUKU). NMB is connected to all MNOs and facilitates bank to wallet transactions, and vice versa.

- It is already possible to open a ChapChap account outside branches through the direct sales team using an Android Mobile App.

- They also provide Social Banking (on line help desk and live chat) to some clients including through Facebook.

- To facilitate the move in this direction, NMB provides consumer education.

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1 NMB website, unless otherwise indicated.
2 Source: Stakeholder Meetings (IFC, October 2016).
NATIONAL BANK OF COMMERCE (NBC)\(^1\)

- NBC is a part of a major global financial service organisation with over 300 years’ experience in banking, employing 147,000 dedicated professionals in over 50 countries, and committed to the financial success of 48 million customers and clients worldwide. As such, NBC has a wealth of expertise in personal, corporate, business and investment banking and wealth management.
- In Tanzania, NBC has a significant number of retail customers, and cards in circulation which can be used in more than 301 NBC ATMs and merchant POS installed at hotels, shopping centres, supermarkets and hospitals across the country.
- They currently have a network of 52 branches country-wide

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\(^1\) NBC [website](#), unless otherwise indicated.
\(^2\) Source: Stakeholder Meetings (IFC, October 2016).
EXIM BANK¹

- A local bank, established in Tanzania since 1997, Exim Bank offers a full suite of products and services designed to meet the needs of retail business, corporate and institutional clients.

- Exim has been a pioneer in Tanzania in a number of areas, and was the first Tanzanian bank to establish a banking footprint overseas (Union of Comoros (2007) & Republic of Djibouti (2011)), introduce credit cards in Tanzania, launch mobile banking applications for smartphones in Tanzania, introduce mobile ATMs in the country and establish an exclusive financing scheme for women.

- In Tanzania, Exim’s network consists of 30 branches in Tanzania (including 2 mini-branches in Zanzibar), 50 ATMs and 182 POS devices. Exim has undertaken a number of steps to continue growing its digital banking channels, including:
  - Issuing debit (MasterCard-enabled FAIDA debit card, as well as proprietary Tanapa-Exim pre-paid card), and credit cards (VISA and MasterCard).
  - Establishing links to mobile wallet (Vodacom M-Pesa, Airel Money and Tigo Pesa), though only Wallet to Bank options are possible at this time.
  - Launching its own mobile banking service (Exim Mobile Banking), which allows remote access to accounts for existing customers, as well as P2P transfers (other Exim account holders, or non-account holders via M-Pesa, Airtel Money, Tigo Pesa and Ezy Pesa),

¹ Exim Bank website, unless otherwise indicated.
² Source: Stakeholder Meetings (IFC, October 2016).
AKIBA COMMERCIAL BANK (ACB)¹

- Akiba Commercial Bank Plc (ACB) commenced banking operations in August 1997 as an initiative of over 300 Tanzanian entrepreneurs who were inspired to move into micro-finance, by the moral and economical concern for the plight of millions of Tanzanians.
- ACB’s target market is small and medium sized entrepreneurs, companies and community banks, but the bank has broadened its reach to provide financial services to customers of all levels, including college and university students, entire families, homeowners.
- ACB has expanded its services beyond Dar es Salaam, successfully establishing itself as a strong presence in the Tanzanian banking sector.

¹ Akiba Commercial Bank website, unless otherwise indicated.
² Source: Stakeholder Meetings (IFC, October 2016).
CURRENT CHALLENGES TO THE BANKING SECTOR

- The financial system in Tanzania is dominated by banks. Looking at financial system assets as a proportion of GDP, it accounted for 43% of the total. Of this amount, banks account for 71%, pension funds for 27%, insurance companies below 2%, and collective investment schemes (less than 1%).
- The financial system is relatively small, dominated by banks, and access for low-income segment remains constrained. Access to financial services is much greater in urban areas. Several obstacles limit supply of services more broadly: lack of infrastructure (power, telecom, road infrastructure) and high cost of branches.
- Branch infrastructure is limited in Tanzania with only 2.48 branches per 100,000 adults (IMF Financial Access Survey, 2015). The larger financial institutions have a disproportionate share of the branches, thus making it difficult for smaller institutions to expand outreach and compete effectively in the market.
- The last few years have seen significant improvement in access to finance primarily through mobile money promoted by telecom operators. The volume of mobile money transactions has increased dramatically since the end of 2010. Monthly transactions, which amounted to TSh 452 billion in July 2011, have exceeded TSh 4.7 trillion in December 2015. The total annual mobile money transactions amounted to nearly 52 percent of GDP in 2015, up from just 0.2 percent in 2010.
- Financial institutions are keen to expand their outreach and all see agency banking and DFS as playing a key role.
- The expansion of mobile money and the number of providers (5) has demonstrated to financial institutions that there is a huge demand at the low income segment which can be met through innovative platforms and channels. As such, most players in the financial sector are gearing up to offer their products and services through an agent network.
- The primary challenge for banks is to create and maintain a healthy network of agents. There are currently two agent major aggregators in Tanzania, Selcom and Maxcom (discussed later). However, experience shows that financial institutions stand to gain from a profitability perspective when they operate via proprietary network. Furthermore, from a regulatory perspective, there is no clarity on whether agents may open accounts on behalf of banks.
### MICROFINANCE SECTOR (MDIS)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total assets</th>
<th>Total liabilities</th>
<th>Active Borrowers</th>
<th>Portfolio risk at &gt;30 days</th>
<th>Loans to corporations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EFC Tanzania Microfinance Bank Limited</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>12,365,592</td>
<td>8,228,335</td>
<td>680&lt;sup&gt;5&lt;/sup&gt;</td>
<td>2.72% (2013)&lt;sup&gt;5&lt;/sup&gt;</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Finca Microfinance Bank Limited</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>11,089,682</td>
<td>828,976,383</td>
<td>105,592</td>
<td>2.44% (2015)&lt;sup&gt;5&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td><strong>Mama Bahati Foundation (MBF)</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>0.53 million&lt;sup&gt;5&lt;/sup&gt;</td>
<td></td>
<td>2260</td>
<td>19.59% (2015)&lt;sup&gt;5&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td><strong>Vision Fund Tanzania Microfinance Bank Limited</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>11.37 m (2012)&lt;sup&gt;5&lt;/sup&gt;</td>
<td>10.8 m</td>
<td>51,550***</td>
<td>1.36% (2011)&lt;sup&gt;5&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

1. Data as at December 31<sup>st</sup>, 2013. Source: [EFC Tanzania M.F.C. Limited Annual Report 2013](https://example.com)
3. FMO refers to Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.<sup>2a</sup> Refers to FMH as a whole, values in USD.
4. Limited information about operations available. First operations in April 2016, according to [Daily News Tanzania](https://example.com).
5. Tanzania Market Overview (Mix Market, 2016), unless otherwise stated.

*Portions of this information are adapted from the Asia Foundation’s [Microfinance Sector Overview for Tanzania](https://example.com).*
GOVERNMENT PAYMENTS – IN AND OUT

- Tax payments are the most common form of P2G and B2G payments globally – in Tanzania, tax inflows account for nearly 90% of government revenues, excluding grants.
- In 2012, the tax compliance rate was estimated at 70% (30% shortfall between tax payments owned to the Tanzania Revenue Authority and payments received).
- In light of this, Tanzania has taken a number of positive steps towards tax modernization and digitization:
  - TRA introduced electronic filing of VAT for large businesses (>TZS 100 million).
  - Launch of the Tanzania Revenue Gateway System (RGS) – a link between TRA, BOT, commercial banks and financial service providers (including MNOs offering mobile money) – that gave customers the ability to make tax payments digitally.
  - TRA made it mandatory in 2010 for all registered businesses to use Electronic Fiscal Devices (EFDs) to issue electronic receipts to customers (at the expense of the trader – cost of TZS 600,000 – TZS 1 million, which could be paid by deducting the cost of the device from VAT obligations).
  - Digitization of payments at the local government level.

1 The One Billion Dollar Question: How can Tanzania stop losing so much tax revenue (Interfaith Economic Council on Tanzania, 2012) as cited in P2G Payments: Lessons from Tanzania’s digitization efforts BTCA, 2016)
According to World Bank estimates, Tanzania’s international migrant stock – the number of Tanzanians living abroad – was 261,222 in 2015; a significant decline compared to 2000, when estimates were closer to 1 million (928,200)*

During that period, the median age of Tanzanian migrants also increased, from 26 to 29*

Many Tanzanians migrate to other countries within Africa (Rwanda, Kenya, Uganda), and for those venturing outside of Africa, top destination countries include the UK, United States and Canada

Tanzania is a net sender of remittances, with outflows $577.7 million and inflows of $389.5 million in 2015**

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## TELCOMMUNICATIONS SECTOR IN TANZANIA

### Number of Telephone and Internet Operators in Tanzania [Source: TCRA¹]

<table>
<thead>
<tr>
<th>Type of Operator</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Line Operator</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Mobile Operator</td>
<td>10</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Data Operators and Internet Service Providers</td>
<td>80</td>
<td>84</td>
<td>84</td>
<td>91</td>
<td>...</td>
<td>83</td>
</tr>
</tbody>
</table>

### Key Statistics

- Mobile penetration: 55% (2014) [Source: GSMA]
- Mobile accounted for 99% of 40 million telephone subscriptions (up from 21 million in 2010) at the end of 2015 [Source: TCRA]
- Internet penetration: 34% (2015) [Source: TCRA]
- 94% of internet connections occur on a mobile phone (2015) [Source: TCRA]
- Population covered by mobile network 85%²
- Very concentrated market (4 main providers control >90% of the market)

### Estimated Number of Users by Technology Type [Source: TCRA¹]

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Wireless</td>
<td>969,088</td>
<td>777,461</td>
<td>1,056,940</td>
<td>1,913,082</td>
<td>662,882</td>
</tr>
<tr>
<td>Mobile Wireless</td>
<td>3,665,680</td>
<td>6,031,323</td>
<td>7,493,823</td>
<td>11,320,031</td>
<td>16,280,943</td>
</tr>
<tr>
<td>Fixed Wired</td>
<td>677,450</td>
<td>712,095</td>
<td>761,508</td>
<td>948,198</td>
<td>319,698</td>
</tr>
<tr>
<td>Total</td>
<td>5,311,218</td>
<td>7,520,878</td>
<td>9,312,272</td>
<td>14,217,311</td>
<td>17,263,523</td>
</tr>
<tr>
<td>Penetration (% population)</td>
<td>12%</td>
<td>17%</td>
<td>21%</td>
<td>29%</td>
<td>34%</td>
</tr>
</tbody>
</table>

---

¹ Sources from TCRA refer to Quarterly Telecommunications Statistics, March 2016
² Digital Finance and Readiness Framework and Assessment for Tanzania (CGAP, 2016)
TELECOMMUNICATIONS SECTOR IN TANZANIA

- The Telecoms sector in Tanzania is regulated by the Tanzania Communications Regulatory Authority (TCRA), which is responsible for regulation of Communications and Broadcasting sectors in Tanzania.
- Under the new Converged Licensing Framework (CLF) introduced in 2015, the TCRA issues 4 types of licenses; Network facilities (18), Network services (14), Applications services (80) and Content services providers (26).*
- The Ministry of Works, Transport and Communication recently published a new National Information, Communication and Technology (ICT) Policy (NICTP 2016). The NICTP 2016 aims to build on the successes of NICTP 2003 and identifies a number of priorities, including data access rights, privacy protection, computer fraud & crime, security and privacy of e-transactions, establishment of rules governing e-transactions, delivering e-opportunities to the wider population and lack of mechanism for ICT standardization.
- TCRA has undertaken a number of important initiatives
  - TCRA has introduced a rate schedule that is designed to reduce termination charges from 112 TZS to 26.96 TZS by 2017¹
  - TCRA requires mobile sim registration and number portability
  - The TCRA recently launched a new system – Telecommunications Traffic Monitoring System (TTMS) – with a view to tracking illegal communication operators and increasing government revenue (TCRA can now verify actual voice and data traffic, as well as financial flows along mobile money platforms, and validate amounts due).
POINTS OF INTEREST IN THE MOBILE MARKET

- Taxation of the mobile sector is already among the key challenges in Tanzania, both from the perspectives of operators and consumers [Source: GSMA, 2015];
  - The mobile sector is one of the most heavily taxed sectors in Tanzania and as a whole paid USD 540 million in taxes in 2011 and contributed 11% of all tax revenues in Tanzania.
  - Customers are subject to high (and in some cases, increasing) taxes on devices, subscription and usage., including VAT on sim cards, airtime excise, a monthly tax on active sim cards (repealed) and an excise tax on money transfers. As a result, taxes account for 35% of the cost of mobile ownership in Tanzania – second highest in the world after Gabon and nearly double the global average.
- While technical interconnectivity has been accomplished, high interconnection rates, which result in high differential cost associated with using cross-network services, and thus reinforce the network effect. Further, smaller MNOs suffer financial disadvantages since the MNO initiating the cross-network call or transaction has to compensate the receiving MNO under current industry arrangements. [Source: CGAP 2016]
- As MFS providers expand into other financial products – insurance, savings and credit – data sharing, including how data generated by MFS are to be accessed, shared by customers and providers is an emerging issue with potential to exacerbate barriers to entry, barriers to switching, information asymmetries and stifle innovation. [Source: CGAP 2016]

1 Digital Finance and Readiness Framework and Assessment for Tanzania (CGAP, 2016)
<table>
<thead>
<tr>
<th>MOBILE NETWORK OPERATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership: Vodacom Tanzania owned by Vodacom Group (Pty) Limited of South Africa (65%), which is a subsidiary of Vodacom Group UK and a Tanzanian shareholder, one Mirambo Ltd (35%)</td>
</tr>
<tr>
<td>• 12.4 million subscribers</td>
</tr>
<tr>
<td>• 100% registered</td>
</tr>
<tr>
<td>• 31% market share</td>
</tr>
<tr>
<td>Ownership: MIC Tanzania owned by Millicom, a mobile telecom and media company which also recently purchased a significant share (28%) of Helios Towers Africa (HTA) in October 2015</td>
</tr>
<tr>
<td>• 11.4 million subscribers</td>
</tr>
<tr>
<td>• 100% registered</td>
</tr>
<tr>
<td>• 29% market share</td>
</tr>
<tr>
<td>Ownership: Airtel Tanzania Ltd, subsidiary of Airtel Africa, owned by Bharti Airtel</td>
</tr>
<tr>
<td>• 10.7 million subscribers</td>
</tr>
<tr>
<td>• 98% registered</td>
</tr>
<tr>
<td>• 27% market share</td>
</tr>
<tr>
<td>Ownership: Zanzibar Telecom (Zantel) is 85% owned by Millicom, a mobile telecom and media company, and 15% owned by the Government of Zanzibar</td>
</tr>
<tr>
<td>• 1.9 million subscribers</td>
</tr>
<tr>
<td>• 100% registered</td>
</tr>
<tr>
<td>• 5% market share</td>
</tr>
<tr>
<td>Ownership: Vodacom suffered a large increase in tax liability which some sources linked to the TCRA system (TTMS) but Vodacom attributes to Finance Act 2016</td>
</tr>
<tr>
<td>• GSM 900/1800 75% of the population</td>
</tr>
<tr>
<td>• Investing in Internet of Things (IoT) service and Cloud Computing</td>
</tr>
<tr>
<td>• Tigo suffered a large increase in payments to the Tanzanian government</td>
</tr>
<tr>
<td>• Tigo Kilimo – SMS-based service that provides information about weather, crop prices, and agronomy techniques to small-scale farmers – reached 400,000 subscribers in Dec 2014</td>
</tr>
<tr>
<td>• M-Health reaches 350,000 subscribers (2016)</td>
</tr>
<tr>
<td>• Airtel Tanzania Ltd. signed an agreement in March 2016 to sell some 1,350 of its towers in Tanzania for roughly $180 million to American Tower Corporation (ATC)</td>
</tr>
<tr>
<td>• 545 network sites</td>
</tr>
<tr>
<td>• Ownership rights to undersea fibre optic cable network capacity</td>
</tr>
<tr>
<td>• Provides data-only sim cards (Access Point Name (APN)) for POS operation and other business needs</td>
</tr>
</tbody>
</table>
## MOBILE NETWORK OPERATORS

<table>
<thead>
<tr>
<th>Operator</th>
<th>Subscribers</th>
<th>Registration</th>
<th>Market Share</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halotel</td>
<td>1.8 million</td>
<td>68%</td>
<td>4%</td>
<td>Viettel Group (Vietnamese company), licensed in 2014 and operational in 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,000 KM optical cables, 2,500 Antenna towers, 95% population coverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Recently launched Halopesa (domestic only), with some similar services offered by other MNOs, but likely small</td>
</tr>
<tr>
<td>Smart</td>
<td>1.2 million</td>
<td>20%</td>
<td>3%</td>
<td>Smart East Africa is a subsidiary of Industrial Promotion Services (IPS) Kenya, which is part of the Aga Khan Fund for Economic Development (AKFED)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Strategic partner - Timeturns</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Expected to introduce 4G-LTE in 2015</td>
</tr>
<tr>
<td>TTCL</td>
<td>0.3 million</td>
<td>99%</td>
<td>1%</td>
<td>Government of Tanzania (100%), following the purchase of 35% stake from Baharti Airtel owned 35% (MoU signed by GoT and Bharti Airtel (June 2016) to end a 15 year PPP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TTCL has plans to list on DES to raise $330 million, some of which will be invested in Global System of Mobile (GSM) technology</td>
</tr>
</tbody>
</table>
PAYMENT SERVICE PROVIDERS

Selcom¹

- Privately held and family-owned Tanzanian company, founded in 2001 and today has the largest independent network of POS terminals with 15,000 terminals countrywide (5,000+ active)
- Provides a variety of services including electronic value distribution, airtime recharge sales, subscription/bill payments, serving as cash in/out agent for mobile money providers (M-Pesa, Tigo Pesa and Airtel Money), as well as mobile banking services to some of the largest banks in Tanzania (Standard Chartered Bank, Barclays Bank, Exim etc)
- Super-agent for Vodacom M-Pesa, providing float to other Vodacom M-Pesa agents
- Selcom is licensed by TCRA as a National Application Service
- They also offer Selcom NFC cards, which are linked to customers’ mobile accounts. These cards may be used to purchase event tickets, for example, via USSD and using the Selcom card to gain access
- Recently started operations in Uganda

¹ Source: Selcom website, unless otherwise stated.
² Source: Stakeholder Meetings (IFC, October 2016).
PAYMENT SERVICE PROVIDERS

Maxcom Africa Limited¹

- Founded in 2008, Maxcom Africa Limited is a wholly owned Tanzanian company, with offices in Burundi, Rwanda, and Uganda.
- Maxcom has a fully-managed agent network of approximately 10,000 agents.
- Licensed by Bank of Tanzania to provide agency banking services and already completed integrations with NMB, CDB, Advans Bank, DBC, and Umoja Switch (links 24 banks for merchant payments)³
- Maxcom terminals (MaxMailipo) use a platform based on common APIs to allow customers to top-up pre-paid accounts/services (mobile, Internet, mobile money, electricity), pay post paid bills (electricity, water), pay for parking and transportation (ferries, buses (Udart), airports and railway transport), pay for goods and services using credit cards.
- Maxcom also facilitates payments to the central and local government (P2G) for taxes and levies (property tax, billboard tax, hotel levy, business licenses, as well as city and municipal council taxes and service levies).
- Some recent projects/initiatives include:
  - Electronic Tax and Levies Collection Project – a project which uses GIS software to map taxpayers (and locate defaulters) for Tanzania local government has already been rolled out in 9 municipal councils.
  - Partnership with Tanzania Postal Corporation to establish a robust and interactive electronic infrastructure and expand outreach of agency network to the village level.

¹ Source: Maxcom website, unless otherwise stated.
² Source: Stakeholder Meetings (IFC, October 2016).
³ Tanzania: CRDB Bank Enhances Agency Services (allAfrica, July 2015)
PAYMENT SERVICE PROVIDERS

Business Connexion Tanzania¹
- Launched in 2000, staff of 37 employees
- Based in Dar es Salaam, with operations in Mozambique, Nigeria, Zambia, Namibia, Kenya, Botswana and UK
- Key offering – Business Connexion Financial Services EcoSystem (FSE) – allows Tanzanians to transact with various entities from mobile phones or through the use of remote POS terminals
- Currently working with schools and hospitals to facilitate electronic and mobile payments for healthcare and education
- Key partnerships
  - 3 major mobile operators (Vodacom, Airtel, Tigo)
  - 5 payment switches across East Africa (Umoja, being the largest)

Dayone Softcom Technologies (T) Limited²
- 4 key product offerings:
  - Revenue Collection Information System
  - Fixed Assets Management Info System
  - Roads Management Information System
  - GIS Based Customer Mapping Information System
- Some of the applications of these products include:
  - Linking existing revenue collection information system (Mrecom) with MaxMalipo Online Payment System and CRDB Banking System (Kinondoni Municipal Council)
  - Development of customized GIS information system for customer mapping (Mwanza Water Supply Authority)
  - Development of revenue collection POS platform (Kibaha Town Council, Ilala Municipal Council, Dar Es Salaam City Council)

¹ Source: Business Connexion Tanzania website, unless otherwise stated.
² Source: Dayone Softcom Technologies website, unless otherwise stated.
PAYMENT SERVICE PROVIDERS

MobiCash¹

- MobiCash is a new entrant in the Tanzanian market offering a cashless (mobile) ecosystem that provides consumers with options to use their electronic money rather than instantly converting it back into cash. As opposed to existing mobile payment schemes designed as custom retention schemes with the belief that ‘cash is king’, MobiCash builds its ecosystems with the view that they should be cashless from the start, so customers don’t need to cash-out.
- MobiCash also provides agent aggregator services.
- MobiCash is an MNO-agnostic platform and uses biometric authentication.
- They are present in multiple countries across Africa including Uganda, Rwanda, Kenya, Botswana, Zambia, and DRC
- MobiCash can provide multiple access transaction instruments including mobile phones (smart phones and feature phones), mobicash point of sale handset, online, and ATM

First Access²

- First Access uses data from MNOs to create credit scores for anyone, including people who do not have financial records, by mining customer data, understanding the patterns that lead to success, and configuring an algorithm that will enable your staff to make smarter, faster credit decisions. They are present in 5 countries in Africa: Nigeria, DRC, Malawi, Zambia, and Uganda.

¹ Source: MobiCash website, unless otherwise stated.
² Source: First Access website, unless otherwise stated.
³ Stakeholder Meetings (IFC, October 2016).
DFS in Agricultural Sector

- Agriculture is one of the most important economic sectors in Tanzania\(^1\)
  - 31.2% of GPD and ~75% of employment
  - 2/3 Tanzanian farmers produce food crops the most important crops are rice and maize (85% of cereal production)
- High penetration of mobile phones, coupled with low penetration of formal financial services\(^1\)
  - The vast majority of farmers either own (77%) or at least have used (82%) a mobile phone and the majority of those who have not (82%) are very interested in doing so
  - 90% do not have a bank account registered in their name
  - Only a small percentage have used services offered by MFIs (5%), SACCO (3%), Cooperatives (1%) and the Post Office (1%)

Agriculture and Climate Risk Enterprise (ACRE) – Kilimo Salama

- The Syngenta Foundation for Sustainable Agriculture launched ACRE in June, 2014, a commercial company created to advise on protection for African smallholders.
- Kilimo Salama is the largest agricultural insurance program in Africa – though, with a relatively low impact in Tanzania (4,310 out of 187,467 farmers reached) – and the first agricultural insurance program worldwide to reach smallholders using mobile technologies.
- Areas of focus include increased access to finance, increased investment and earnings, and insurance (drought, excess rain, and disease)
- IFC investment

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\(^1\) Digital Finance and Readiness Framework and Assessment for Tanzania (CGAP, 2016)  
\(^2\) National Survey and Segmentation of Smallholder Households in Tanzania: Understanding Their Demand for Financial, Agricultural and Digital Solutions (GCPA, 2016)
DFS in Agricultural Sector

Tigo Kilimo\(^1\)

- An agricultural value added service (Agri VAS) provided by mobile network operator (Tigo), launched in December 2012 and achieved 400,000 registered users by December 2014 and 61% repeat users.
- Tigo Kilimo provides information for farmers via mobile phone and can be accessed via four mobile channels: Unstructured Supplementary Service Data (USSD), push SMS subscription, Interactive Voice Response (IVR) and a helpline, including:
  - agronomic tips on ten major crops (maize, rice, Irish potato, cassava, onions, banana, citrus, sweet potato, tomato and cashew);
  - market price information on these crops for main markets.
  - 1, 3, and 5 day weather forecasts available for 26 regions of the country.
- Regular users are mostly male (63%), under 25 years old (69%), but women and older men who sign up are more likely to become repeat users.
- Repeat users demonstrate behaviour changes and are more likely to:
  - grow new crops (30%)
  - Use new seeds and new agricultural practices
  - Report increased income in a given year than non-users (39%)

---

\(^1\) Tigo Kilimo Impact Evaluation (GSMA, 2016)
### TANZANIA GDP

#### GDP and GDP Per Capita

<table>
<thead>
<tr>
<th>Indicator Name¹</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth (annual %)</td>
<td>7.9%</td>
<td>5.1%</td>
<td>7.3%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>GDP per capita (current US$)</td>
<td>$740</td>
<td>$828</td>
<td>$909</td>
<td>$955</td>
<td>$865</td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td>4.53%</td>
<td>1.86%</td>
<td>3.92%</td>
<td>3.65%</td>
<td>3.68%</td>
</tr>
</tbody>
</table>

#### Relative Share of Economy

<table>
<thead>
<tr>
<th>Selected Economic Sectors²</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 (Q1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>29.4%</td>
<td>31.1%</td>
<td>31.2%</td>
<td>28.8%</td>
<td>29.0%</td>
<td>31.2%</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>10.6%</td>
<td>10.4%</td>
<td>10.2%</td>
<td>10.5%</td>
<td>10.7%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>5.1%</td>
<td>4.9%</td>
<td>4.2%</td>
<td>3.7%</td>
<td>4.0%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.6%</td>
<td>7.5%</td>
<td>6.4%</td>
<td>5.6%</td>
<td>5.2%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Sources:
Macro-economic Overview
Regulations
Financial Sector
Telecom Sector
Other Sectors
Mobile Financial Services Landscape
## Quick Overview of Mobile Money Providers

<table>
<thead>
<tr>
<th>MNO</th>
<th>Vodacom Tanzania</th>
<th>MIC Tanzania</th>
<th>Airtel Tanzania</th>
<th>Zanzibar Telecom (Zantel)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Accounts</strong>*</td>
<td>7.0 million</td>
<td>5.1 million</td>
<td>4.0 million</td>
<td>0.4 million</td>
</tr>
<tr>
<td><strong>Mobile Money Market Share</strong></td>
<td>42%</td>
<td>31%</td>
<td>24%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Wallet</strong></td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>App available</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>TZS</td>
<td>TZS</td>
<td>TZS</td>
<td>TZS</td>
</tr>
<tr>
<td><strong>Agent Network</strong></td>
<td></td>
<td></td>
<td>Selcom</td>
<td></td>
</tr>
<tr>
<td><strong>Registration Requirements</strong></td>
<td></td>
<td></td>
<td>Yes (SIM card, phone, ID)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash In/Out</strong></td>
<td>Cash in/out at Vodacom shops, M-Pesa agents and out ATMs (DTB, CDB and Umoja)</td>
<td>Tigo shop or Tigo Pesa agent</td>
<td>Airtel shops, Airtel Money agents (45,000) and partner ATMs</td>
<td>Zantel shops, Ezy Pesa Wakala and Selcom</td>
</tr>
</tbody>
</table>

*Data as at March 2016. Source: TCRA Quarterly Statistics

**The Electronic Money Regulations, 2015 states that electronic money should be issued in TZS (Article 25 (1)) and that express permission from BOT is required to issue electronic money in any other currency (Article 25 (2)).

*** Halotel (Viettel Group) recently launched Halopesa. At the moment, subscriber base appears quite low but worth monitoring.

1 Stakeholder Meetings (IFC, October 2016).
## QUICK OVERVIEW OF MOBILE MONEY PROVIDERS

| Mobile Top-Up | Yes, and also pay for other Vodacom services | Yes | Yes, as well as buy credit for other accounts and pay for post paid bills | Yes |
| Link with Bank account | Yes (wide variety) | Yes | Yes | Yes, (People’s Bank of Zanzibar, PBZ) |
| Access to Credit | Yes, (CBA savings account holders only) | Yes (Tigo Nivushe) | Yes (Timiza) | No |
| Payroll | Yes | Yes | Yes | Yes |
| P2P Payments (Domestic) | Yes, all 4 mobile money providers | Yes, all 4 mobile money providers | Local: Yes, all 4 mobile money providers | Yes, all 4 mobile money providers |
| P2P Payments (International) | to/from Kenya (M-Pesa), and from other countries via WorldRemit*, Western Union and MoneyGram | to/from Kenya (M-Pesa), and from other countries via WorldRemit* | Yes, to/from Rwanda, Zambia and DRC | to/from Kenya (M-Pesa), and from other countries via WorldRemit* |
| P2B Payments | Pay bills and debts, make purchases and even donations with M-Pesa | Pay bills (water, electricity, TV subscription, road license) pay the government and to make purchases with Tigo Pesa | Pay bills (TV subscription, electricity), pay the government, make purchases with Airtel Money | It is possible to pay bills (water, TV, electricity) and make purchases (Shoppers Supermarket) with Ezy Pesa |

*WorldRemit also facilitates mobile account top up from abroad (all markets where WorldRemit is available) for Tigo, Vodacom, Zantel and Smart customers.
**Interoperability first announced in 2014 among EzyPesa, TigoPesa and Airtel Money. Vodacom (M-Pesa) joined in February 2016.
MOBILE MONEY PROVIDERS – KEY POINTS OF DIFFERENCE

Airtel Money
- Recently partnered with National Microfinance Bank (NMB), which will now allow Airtel Money agents (45,000) to visit NMB branches (160) to withdraw or deposit floats
- Customers (18+, Airtel Money for at least 90 days, no outstanding credit/negative judgements from JUMO) can also qualify for small loans (Timiza) of up to Tsh300,00 ($150)
- “Tap Tap” companion card allows customers to use Airtel Money at gas stations, supermarkets and more than 60 restaurants in Dar es Salaam in a closed loop system.

EZY PESA
- Fees to send to unregistered Ezy Pesa customers are dramatically higher than for registered customers
- Zantel plans to invest in a new Ezy Pesa platform, focus on developing the cross-network money transfers and improving the availability of the service via a agent acquisition

Key Statistics
- 16.5 million mobile money accounts (March 2016) [Source: TCRA]
- Tanzania is the world’s first fully interoperable mobile money in Africa
- 5/7 MNOs offer mobile money
- 35% of households have at least 1 registered mobile money user (2013) [Source: GSMA]

1 Madagascar appears poised to be second, as all three mobile money providers in Madagascar – Airtel Money, mVola and Orange Money – are moving towards interoperability
2 Airtel Tanzania was awarded The Global Telcom Business (GTB) Innovation Award for Airtel Money “Tap Tap” NFC payments [Source: Airtel Quarterly Report 2016]
3 Stakeholder Meetings (IFC, October 2016).
MOBILE MONEY PROVIDERS – KEY POINTS OF DIFFERENCE

M-Pesa
- M-Pesa accounts can be linked to accounts at banks (12 options) and clients can open a savings account with CBA and qualify for microcredit in amounts as small as TZS 1,000 (M-Pawa,) deposited directly to M-Pesa account
- Largest agent network by far and a majority of them are exclusive (62%)

Tigo Pesa
- Accepted at over 300,000 merchants nationwide and cash in/out services available at 200 agents nationwide
- Subscribers can earn interest on balance held in their Tigo Pesa wallet (Tigo Wekeza or “Tigo Invests”), have access to small, unsecured loans (Tigo Nivushe) in partnership with Jumo starting at TZS 20,000 to start and purchase insurance (Bima Mkononi)
- One of 20 mobile wallets with 1 million or more active subscribers in 2015, according to Millicom Annual Report 2015

Key Statistics
- 16.5 million mobile money accounts (March 2016) [Source: TCRA]
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