



AfricaNenda
ACCELERATING INCLUSIVE PAYMENT SYSTEMS

AfricaNenda PI-21 Community Meeting Kigali Rwanda

Michael Mbuthia
7th March 2023



Agenda...

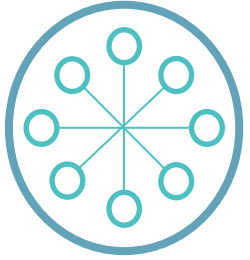
1. Kenya Interoperability Journey

2. Rwanda Interoperability Journey

Q&A



AfricaNenda IIPS Model (Over-View)



An **open loop system**, available to any licensed DFSP in the country. This includes banks and licensed non-banks.



Payments that are **near-real-time** and **"push"** only. This removes many of the risks and costs inherent in batch processed and "pull" payments systems.

Payments that are **irrevocable**.



A system which is **governed** by the DFSPs that use it: this well-tested model creates a feeling of fairness among participants.

Same-day settlement among participants.



A system which operates on a **"cost recovery"** model at the scheme level. This does not preclude DFSPs from making profits, or other value-added services providers to the system



A **shared investment in fraud detection** and management services. The compliance burden remains with the DFSP, but they share in a less costly, more efficient fraud service



KENYA INTEROPERABILITY JOURNEY



90% payments are still made in cash even with increased cashless transaction technology



10% payments made using cashless transaction technology



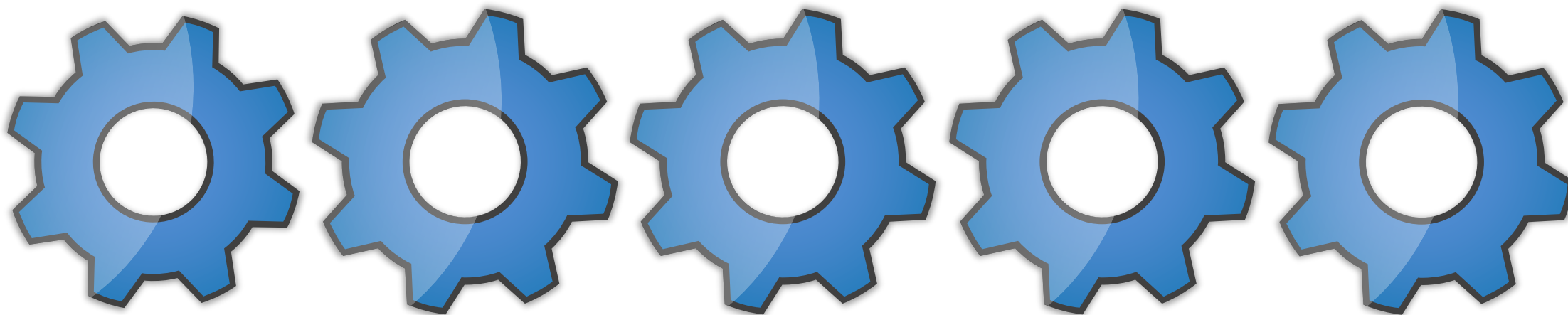
GIKOMBA – CASH ONLY



Challenges & Journey

Segments	Issues	Challenges
Bank 2 bank	Low volumes, Low response from the banks to connect to RTGS, dominating BML	Account-2-account real time payments
Consumers	Mainly cash, card payments: high bank commissions (2,5%) surcharges	Low cost fast C2B, C2G and P2P payments
Merchants	card payments: high bank commissions (2,5%) surcharges	Low cost / low capex acquiring solution
SMEs	Mainly cash, large volumes, tax collections issues	24/7 achievable account and fast B2C, P2P, B2B payments
MNO	Closed loop payments	Interoperability (telcos, banks)

The Value Proposition...



Innovation

- First 24/7 real time inter-bank transaction framework
- Platform for product innovation tied to interbank transactions

Efficiency & Cost

- Infrastructure sharing
- Lower Transaction cost
- Technology Standards
- Secure Payments platform

Customer value

- 24- Hour Economy
- Real time Settlement
- Transaction Limits Up to KES 999,999
- KES, USD, EUR*

Risk Mmgt

- Centralized Settlement
- Reduced Cash outlays
- E2E digital channels
- Transactions visibility
- Risk Profiling

Financial inclusion

- Customer Reach
- Reduced Transaction Costs
- Product and Service Offerings.

Answering the “Why”?....



Dr_Herrera @KushTonny · Jul 8

Pesalink is the most underrated invention of 2017. Just transacted 300k on a Sunday morning in a matter of seconds. Scary



Trevor Kimenye @kimenye · Jun 19

Really enjoying the free **Pesalink** transfers, apart from the 24 hr late and notifications



USIU-Africa and 1 other follow



Kiruthu Lucy 🐾 @KiruthuLucy · Jun 19

Why are banks in Kenya pushing for **Pesalink** yet they can't interlink their ATMS for a standard fees @KCBGroup @JoshuaOigara @DTBduo



edwin KIMANI @edkimani · Jun 26

PESALINK is awesome my fren, no more RTGS and Mpesa bs



Bitange Ndemo @bantigito · Jun 21

Replying to @bantigito @BD_Africa

Banks look inwards to solve their problems while fintechs look at customers to solve their problems. #Pesalink is a good example of this.



Gideon Kimani @GideonKimani · Jun 12

Replying to @carolmusyoka

Pesalink would make sense for me if it supported B2B transfers.



Josphat Maish @iCabway · May 26

Replying to @FamilyBankKenya

I am always happy with your service and can I get help on **pesalink** from any branch ?.



Joel Ratemo @Joemuller21 · Jun 9

@IPSL_Kenya Just tried this **Pesalink** today and i think it's one of the best products in the banking industry. Very convenient and easy.



elf @dobb_yy · Dec 4

I think **Pesalink** is a revelation but people barely know about it.



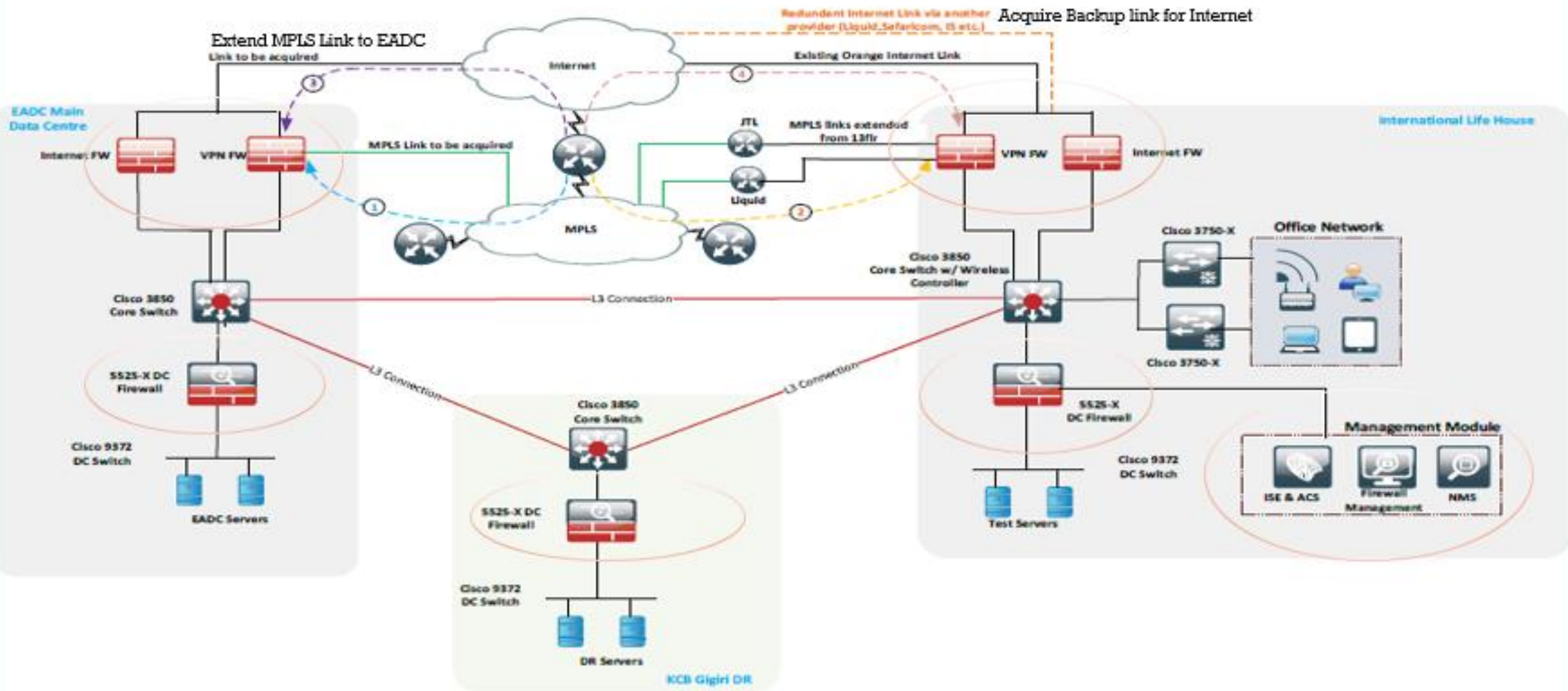
peter @Pizzopinchez · Nov 27

Replying to @FamilyBankKenya

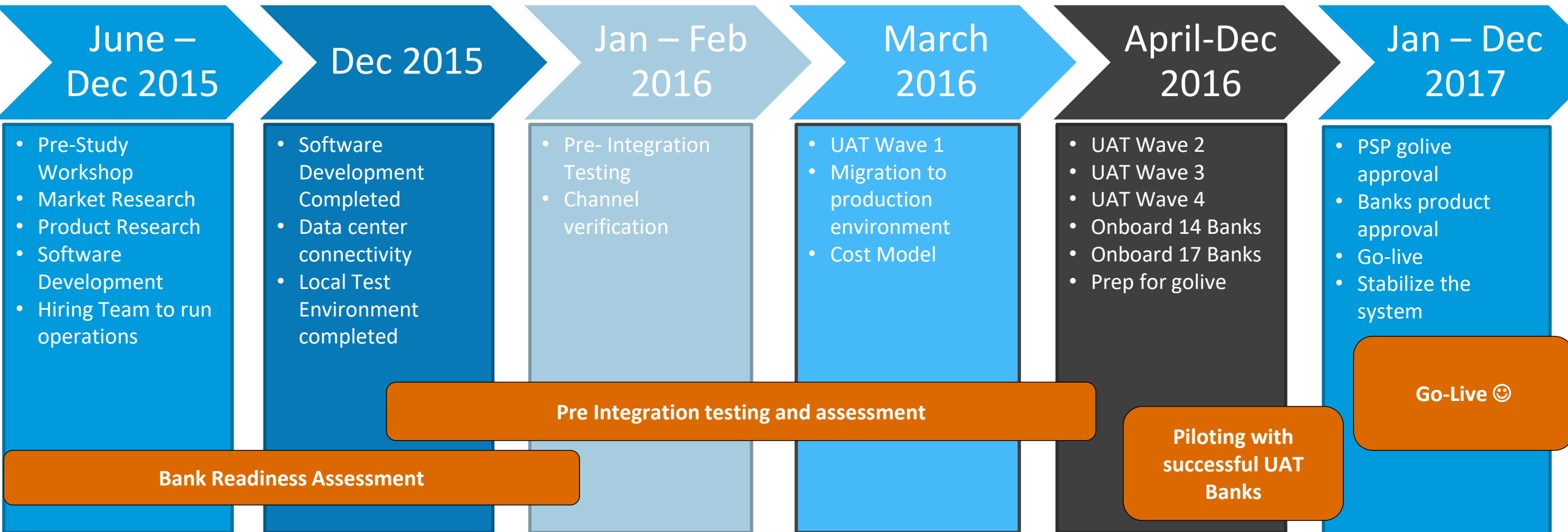
What is **pesalink**?



The Build....



The Journey



The Pitch... To Regulator & Customers



www.banktanya.com

Instant funds transfer

Make your BOA account the primary account and transfer money real time. Use our Bankable app or dial *9878 to enjoy limitless possibilities.

DTB DIAMOND TRUST BANK

PesaLink

Easy. Affordable. Instant.

TRANSACTION RATES

10-500: Free
501-10,000: Kshs 25
10,001-100,000: Kshs 35
100,001-500,000: Kshs 50

#PesaLinkwithDTB

DIAL *382# OR DOWNLOAD THE DTB MOBILE APP TO REGISTER TODAY!

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#PesaLinkwithDTB

DIAL *382# OR DOWNLOAD THE DTB MOBILE APP TO REGISTER TODAY!

Receive money from other banks directly into your Equity Bank Account with PesaLink

- To receive money, simply activate PesaLink on your Equitel line. Go to **My Money-My Account-PesaLink** registration and follow the steps. The sender must also be registered on PesaLink. Give them your Equitel number or account number and the money will go straight to your bank account.
- You can also pay for goods and services through PesaLink in all outlets with an **eazzy** sign.

Visit our customer service desk or the Equitel website to learn more about PesaLink.

Equity Bank

eazzy

PesaLink

New convenient way to transfer money to your ABC Bank account!!

ABC BANK

Conveniently transfer money to your account with ABC Bank from Kes 10 up to Kes 999,999 instantly, 24/7 through PesaLink! The service is available on our Internet Banking platform and at all our branches countrywide. Please register now!

NAIROBI • NAKURU • MERU • ELDORET • KISUMU • LAMU • MOMBASA

254 701 700 700

info@abcbank.co.ke

www.abcbank.co.ke



send money anytime, anywhere, more options.

You can access PesaLink and other transactional services through CBA's **Mobile** and **Internet** Banking platforms.

For more information, contact us on +254 20 288 4444 or +254 711 056 444. E-mail: contact@cbagroup.com

www.cbakw.com
CBA is regulated by the Central Bank of Kenya.

NIC BANK

Congratulations IPSL for the BIG WIN!

We are proud to be associated with you. Simply access PesaLink via NIC Mobile Banking (NIC **MOB** App or USSD) and NIC Online Banking.

Access via any of our channels today and send up to Kes. 999,999 to;

- PHONE
- CARD
- ACCOUNT

Only 9791040111, 0722141111
Email: customercare@nicbank.co.ke
www.nicbankgroup.com

nicbankkenya

Operating in Kenya, Uganda and Tanzania. Registered by the Central Bank of Kenya.

KCB BANK

Send cash in a flash

Pay rent, school fees and much more instantly from KCB Bank to any other bank conveniently and affordably from your mobile phone with PesaLink.

Dial *5228 or go to the KCB App now.

CONTACT US TODAY
Toll-free 111 000 0000 (toll-free)
0800 111 000 0000 (toll-free)
020 111 000 0000 (toll-free)
020 111 000 0000 (toll-free)

Represented by the Central Bank of Kenya

KSH KSH KSH KSH KSH

Enjoy money transfer options with PesaLink.

Log in to SC Mobile or Online Banking for convenient banking.

We are proud to have partnered with Kenya Business Association in the launch of PesaLink, with PesaLink, our clients have convenient banking options allowing them to receive money into their bank account and send money to other bank accounts in the network using their phone number.

Transfer up to KES 999,999 in real time
Make transfers from your SC Mobile or Online Banking
Receive money from any participating bank to your registered bank account

To register, call 020 222 2888.
sc.com/ke

Here for good

Prime Bank

BANK-TO-BANK transfers

...saa hii saa hii!

We are PesaLinked through our PrimeMobi

from KES 10/- up to KES 999,999/- instantly, 24/7!

Conveniently transfer money or make payments directly from your bank account to a recipient's bank account in real time using your mobile phone.

Link your phone today!

For more information, call Prime Bank Customer Care: (020) 420 3222
Email: customercare@primebank.co.ke

PrimeMobi

PesaLink

Easy. Affordable. Instant.

Terms & conditions apply. PesaLink is a product of Integrated Payments Service Limited & Kenya Business Association.

Standard Chartered

Enjoy money transfer options with PesaLink.

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We are proud to have partnered with Kenya Business Association in the launch of PesaLink, with PesaLink, our clients have convenient banking options allowing them to receive money into their bank account and send money to other bank accounts in the network using their phone number.

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sc.com/ke

Here for good

AfricaNenda
ACCELERATING INCLUSIVE PAYMENT SYSTEMS



**SEND MONEY
TODAY!**

INSTANT BANK TO BANK TRANSFERS.

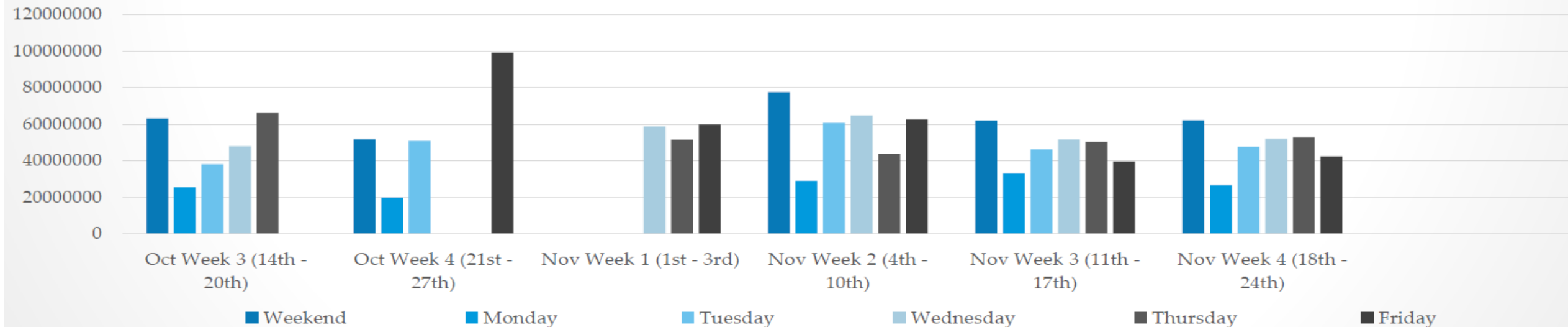
Using your bank's Mobile Banking, Internet Banking, ATM, Bank branch/ agent.

NUMBERS

Numbers Immediately After Launch...

	Weekend	Monday	Tuesday	Wednesday	Thursday	Friday	Total
Oct Week 1 (2st - 6th)	KES 80,603,279.65	KES 20,583,372.23	KES 61,140,766.60	KES 52,625,604.97	KES 59,794,451.33	KES 59,259,208.12	KES 334,006,682.90
Nov Week 1 (1st - 3rd)	N/a	N/a	N/a	KES 58,775,344.14	KES 51,517,829.30	KES 59,911,719.11	KES 170,204,892.55
Oct Week 2 (7th - 13th)	KES 63,093,576.45	KES 30,762,813.80	KES 63,234,739.49	KES 55,866,597.00	KES 27,780,882.55	KES 58,371,019.33	KES 299,109,628.62
Nov Week 2 (4th - 10th)	KES 77,661,131.77	KES 29,062,574.44	KES 60,824,299.24	KES 64,770,502.36	KES 43,770,068.65	KES 62,662,824.69	KES 338,751,401.15
Oct Week 3 (14th - 20th)	KES 51,766,835.07	KES 25,443,449.40	KES 38,068,236.70	KES 47,885,689.80	KES 66,284,053.30	Public holiday	KES 229,448,264.27
Nov Week 3 (11th - 17th)	KES 62,016,821.58	KES 33,070,180.65	KES 46,236,441.00	KES 51,626,709.48	KES 50,318,632.60	KES 39,556,531.80	KES 282,825,317.11
Oct Week 4 (21st - 27th)	KES 73,113,597.84	KES 19,780,998.00	KES 50,893,730.24	Public holiday	Public holiday	KES 99,197,693.84	KES 242,986,019.92
Nov Week 4 (18th - 24th)	KES 62,177,316.00	KES 26,686,598.40	KES 47,719,493.34	KES 51,932,208.20	KES 52,863,668.44	KES 42,346,739.56	KES 283,726,023.94
Oct Week 5 (29th - 31st)	N/a	KES 38,973,044.43	KES 56,447,660.73	N/a	N/a	N/a	KES 95,420,705.16
Nov Week 5 (25th - 30th)	KES 82,149,733.68	KES 47,376,445.76	KES 73,967,758.70	KES 49,297,465.70	KES 70,061,845.66	KES 71,843,364.20	KES 394,696,613.70
						Nov Total	KES 1,470,204,248.45
						Oct Total	KES 1,200,971,300.87
Totals	YTD Total						KES 8,549,314,108.32

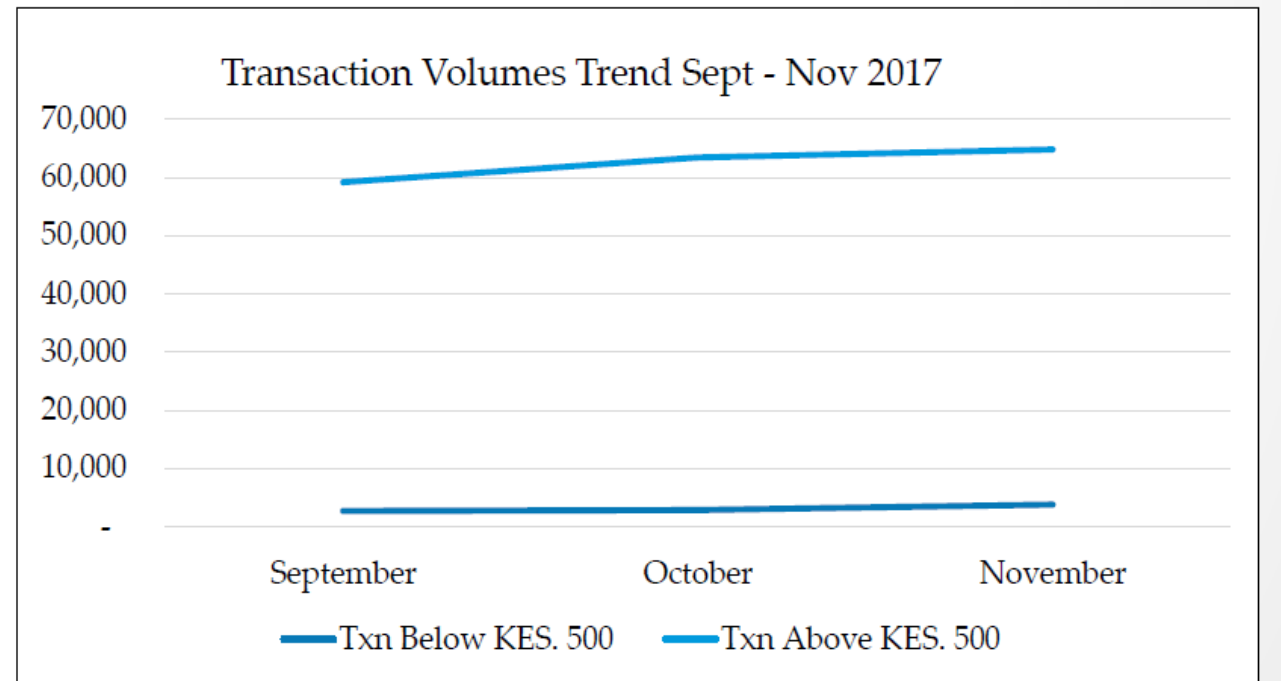
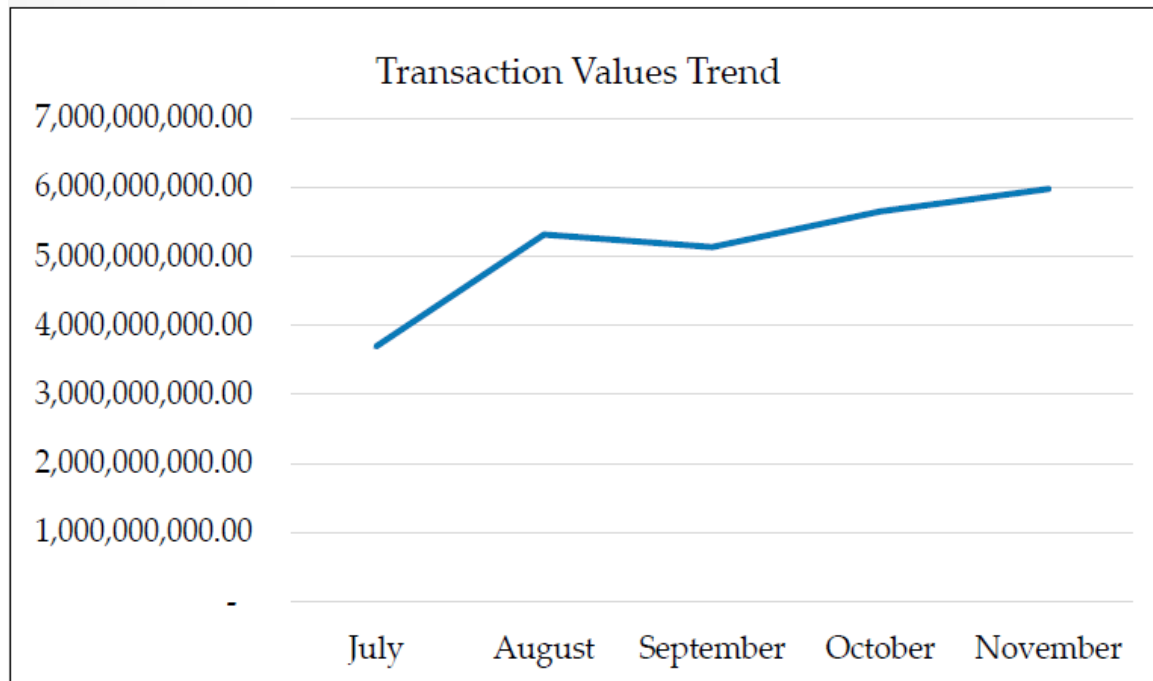
Net Settlement Value



Cont..... Interpreting the Numbers...

Month	Transaction Values Estimates
July	3,692,609,210.10
August	5,315,378,685.60
September	5,132,078,800.82
October	5,648,127,702.28
November	5,976,076,278.09
Totals	25,764,270,676.89

Month	Total	Txn Below KES. 500	Txn Above KES. 500
September	59,217	2,656	56,561
October	63,472	2,821	60,651
November	64,862	3,768	61,094
Totals	187,551	9,245	178,306



Product (PesaLink)

Switch, available to any licensed DFSP in the country. This includes banks and licensed non-banks

NATIONAL PAYMENTS SYSTEM *A two-sided economy for the purchase and sale of goods and services*

Creating the Payment
Transmitting the Payment
(instruments & channels)

Delivering the Payment
(validation & clearing)

Enrich; Authorise; Settle
Payment (liquidity
management)

Payment Fulfilment
Post Payment Services
(accounting, VAS &
reconciliation)

NON-BANK PAYMENT SERVICES AND SYSTEMS

BANK PAYMENT SERVICES AND SYSTEMS

INTERBANK FUNDS TRANSFER SYSTEMS & PROCESSES

Payment
Initiation

Clearing
Participants

Settlement
Participants

Payment
Finality

PSO



Client



PSP



TPPP

Service
providers



User



SO

Infrastructure
providers



PSP



Easy, Affordable, Instant.



Easy, Affordable, Instant.



TPPP

Service
providers



User



SO

Infrastructure
providers



BSP



Easy, Affordable, Instant.



RWANDA INTEROPERABILITY JOURNEY



The Gap.. & Opportunity

MPs summon ICT Minister over payment interoperability

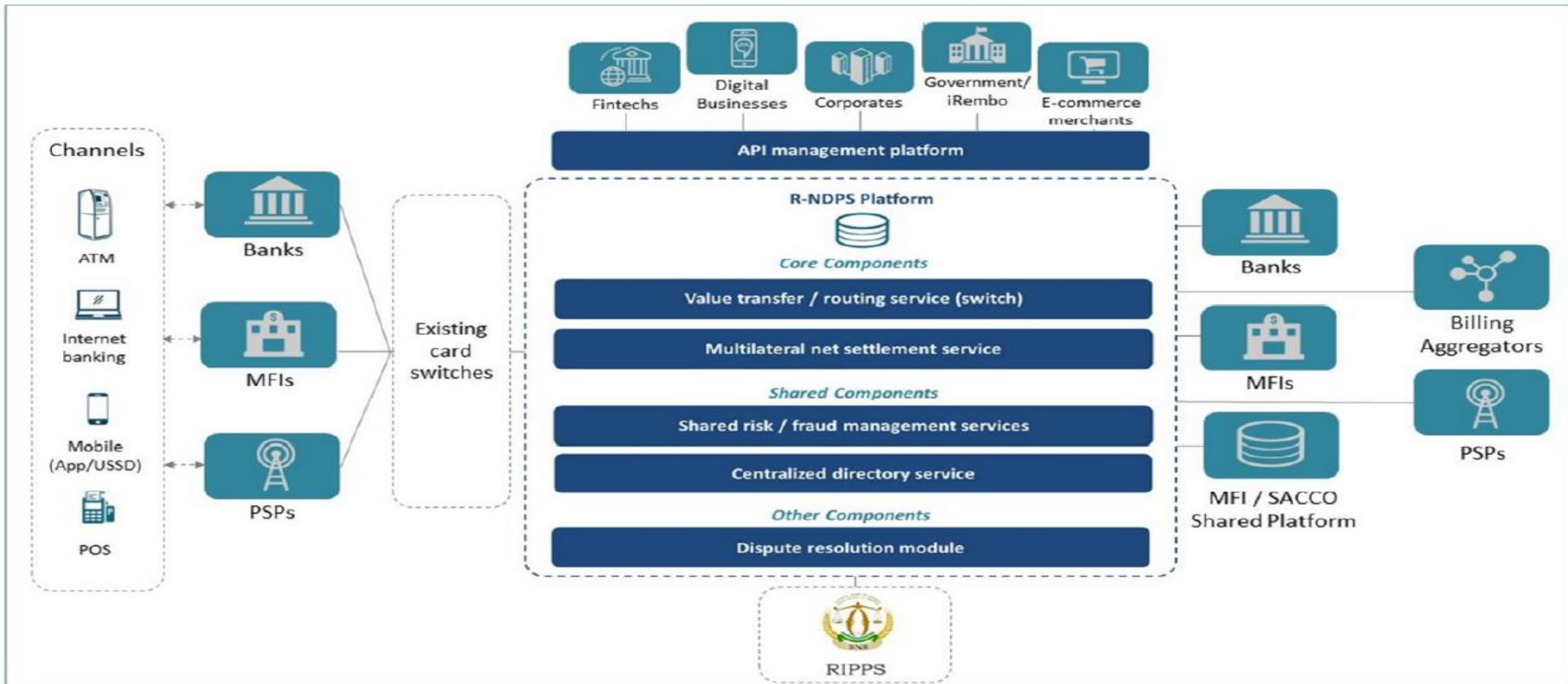


Members of Parliament during a plenary session. MPs have resolved to summon the Minister for ICT and Innovation to provide strategies for expedited implementation of the interoperability technology project. Photo: Craish Bahizi.

"Currently, if you are an MTN Mobile Money subscriber, you are unable to pay an Airtel Money subscriber. When you have a digital payment channel in a given bank, you can only use it for transactions in that bank [...] But, after linking these channels, you can have a product in a bank and the use for payment via MTN, or Airtel network, Equity, BK, among others," said Theogene Munyangayo, chairman of the Parliamentary Committee on Economy and Trade.

The Build... “Blue-Print”

Centralized National Switch, available to any licensed DFSP in the country. This includes banks and licensed non-banks



Rwanda Blue-Print Alignment to L1P



Shared payment infrastructure



Larger addressable market for digital payments



Increasing digital liquidity

Design principles

Open-loop system, enabling end-to-end interoperability

Centralized platform, with single set of rules and standards

Instant (real-time) payments

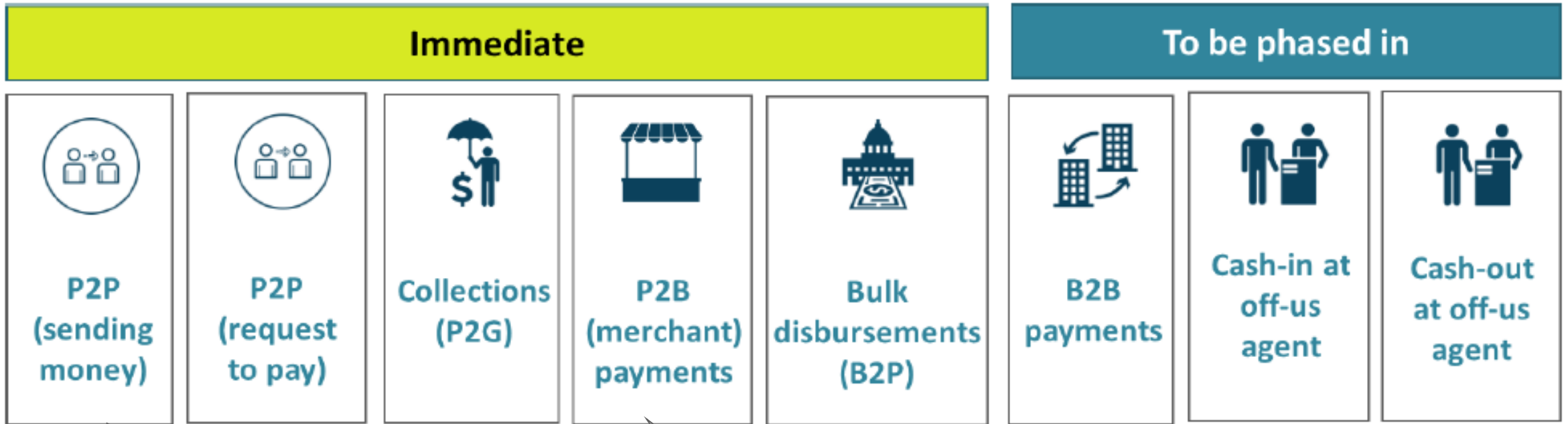
Fair and reasonable pricing for participants and ultimately, end-users

Secure and reliable system/services

The Pitch to Central Bank – “BNR”, MNO/Bank CEO’s & Teams



The Use cases...



Status:

Live:

Already live 😊

eKash
Instant. Affordable. Inclusive.

SEND AND RECEIVE MONEY
ACROSS ALL NETWORKS
IN RWANDA



Status:

Development:
Development on
Mojoalooop rails

mojaloop
foundation



The Numbers... (Scale)

eKash Performance – 6 months to 30th November 2022

RSwitch presents a monthly summarized performance report of the eKash Scheme from 26th May 2022 to 30th November 2022. This report visualizes eKash data from its launch and calls for an informed acceleration of integration by participants.

+1,3M million users

27% of all 5,125,090 active mobile payment subscribers already registered their consent to use eKash within only 6 months.

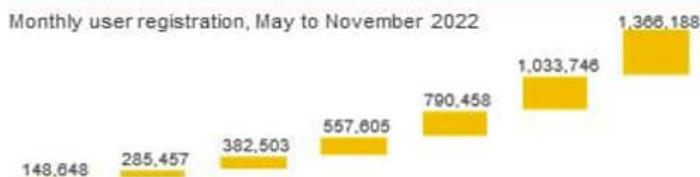
146% monthly user growth

With a record high pick of 332,442 registrations in November 2022.

35% With electronic money issuer 1*

65% With electronic money issuer 2

Monthly user registration, May to November 2022



RNDPS presents unique and strategic benefits to all participants and positions Rwanda for a cashless economy. Secure your space and join us for free! [RSwitch Ltd.](#)

* Participants data are aggregated and anonymized in line with RNDPS Scheme Rules.

Key RNDPS Project Milestones

#1

Unique Connection, Rules, SLAs & Pricing within the Financial Industry

#2

Two largest mobile money issuers are live with P2P' Wallet to Wallet transfers.

#3

Three Banks are at completion of technical tests to go live with P2P.

#4

Four Use Cases in Pipeline. eKash will cover: Persons, Business, Government and Agents Mobile Transactions.

+5,1B RWF transacted

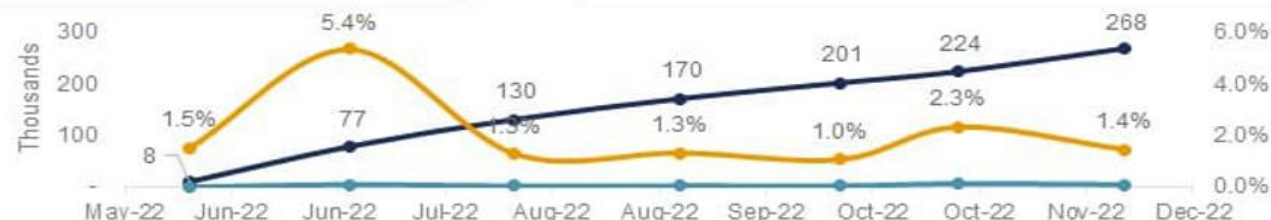
38% of this value originated from FSP 1

62% originated from FSP 2.

The average transaction value increased to Rwf 5,008 from 4,733 in June 2022.

Transactions Status

— Successful
— Failed
— Failure Rate



+1,1M transactions

1,078,158 transactions were processed with only 1.4% failure rate. 82% were initiated from FSP 1 while the remaining 18% initiated from FSP 2 subscribers.



Recap; Key Elements for Successful IIPS

The “Why”

What is the market gap?.

Governance model

A clear and fair governance model to balance cooperation with competition among participants

Economic model

An economic model that incentivizes all stakeholders

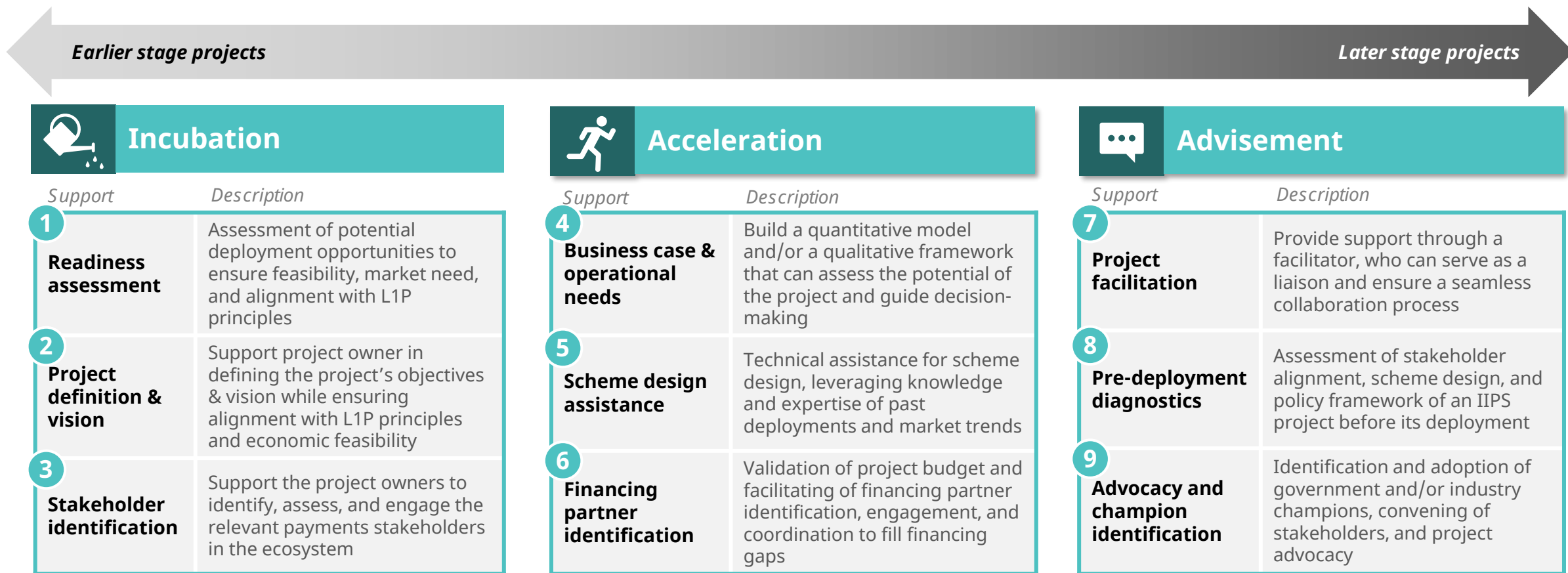
Operational model

An operational model that safely and reliably connects participants

**Sustainable
low cost
“Low to acquire,
deploy and
operate”**

AfricaNenda Approach: We assist projects across all stages of development, from incubation to design, capacity building and launch

AFRICANENDA SUPPORT OPTIONS



AfricaNenda Value Proposition



To learn more about AfricaNenda offerings, visit our website [here](#)

Questions

