

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	2019-08 Pioneering a digital delivery channel in Madagascar using a messenger application (MyAccès)
Country / Region	Madagascar
Partner Financial Institution	Access Bank Madagascar
Grantee	Symbiotics Association for Sustainable Development
Overall Budget	CHF 295'664 (49% self-contribution)
SCBF Contribution	CHF 149'490 (51% SCBF funding share)
Date of Approval	17.10.2019
Duration	12.2019 until 05.2021
Context	<p>Madagascar has a population of approximately 11 million inhabitants of which 12% have a bank account and another 29% is formally served by non-banks i.e. TelCos/mobile money operators. The 2018-2023 Malagasy Ministry of Finance Strategy includes improving access and usage of financial services. Statistics show mobile financial services are a vehicle increasingly contributing to financial inclusion. Smartphone penetration in Madagascar (currently at 7% with +20% annual growth) and access to cheap smartphones are the bridge providing access to the internet for Madagascar. As of 2018, Madagascar had 1.9 million active Facebook users, with 86% accessing the platform via mobile phone.</p> <p>Access Bank Madagascar's (ABM) aims to launch Messenger banking access to its account users, MyAccès, through the Facebook Messenger application as a channel to offer mobile financial services to the Malagasy bottom of the pyramid. The solution merges the simplicity of mobile money, the sophistication of a banking service (saving accounts possible, cash-outs in branches or agents, withdrawal cards possible, etc.) and the progressive and familiar experience inherent to social networks and messaging applications. The role of ABM is to provide formalized banking services to informally banked and unbanked segments in Madagascar.</p>
Current Status of the MFI	<p>ABM is a licenced commercial bank established in 2007. The bank's 160,000 active account users represent 12% market share of formal banking services in Madagascar. ABM's purpose is to provide quality, affordable and transparent financial services to the MSME segments in the market through its range of products i.e., deposit products (savings, current and term accounts), transfer services, and VIP service for SME clients. The bank's extensive network of 28 branches and 830 employees across rural and urban Madagascar legitimizes their claim of being a "Malagasy bank." The MyAccès project complements parallel initiatives at ABM including: roll-out of an agency banking network of 33 agents; launching of the first Unified Payment Interface cards targeting 25,000 clients; ABM's partnership with Orange Madagascar to allow repayment of loans through Orange Money and disbursements of small flash-loans to clients mobile wallets, amidst other improvements to the banks agri. loan methodology. ABM would not be able to develop the products without additional funding that will enable them to bring in the specific expertise to develop and deploy the MyAccès solution in Madagascar.</p>
Objective and Main Activities	<p>SCB's support will enable the PFI to prototype and pilot the MyAccès solution, and based on the successful pilot the bank will conduct a market launch of MyAccès in Madagascar and develop advanced payment features. Upon project completion, the financial institution should be in a position to enhance its financial services offering in Madagascar through a new digital channel that will provide tremendous benefits at micro and macro levels including formalization of informal MSMEs, reduced and more seamless cash management for businesses, increased traceability and reduced transaction costs for clients and the bank alike. The outreach objectives of the PUW by May 2021 are 7,200 subscribers of MyAccès in Madagascar, completing 10,800 transactions on the service.</p>