



NEWS RELEASE

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## Mobile Financial Services Community Celebrates 10 Years of Banking the Unbanked

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**ADDIS ABABA, ETHIOPIA, May 9, 2012** – The mobile financial services community is today celebrating 10 years of banking the unbanked. The world's first mobile financial service in a developing economy went live ten years ago in Africa. Launched by Celpay in Zambia in 2002, and powered by Fundamo, a Visa company, the pioneering service ushered in a movement that has revolutionized the way financial services reach unbanked and under-banked people in developing economies.

“The launch of the Celpay service ten years ago was the beginning of a community that has had a profound social, economic and technological impact in Africa and beyond,” said Hannes van Rensburg, CEO, Fundamo, a Visa company. “Implementations such as the one we started in Zambia have ignited the imagination of our community and the wider world. As we look to the future, we are certain that mobile will continue to play a critical role as a driver of financial inclusion worldwide”.

### **The first implementation in a developing economy**

Celpay International provides mobile financial service to consumers and corporate customers. Celpay's first deployment in Zambia launched in partnership with six major banks, to provide a secure and convenient method to transfer money. Celpay enabled instantaneous payments via the mobile phone, and in doing so, removed the risks associated with cash and cheque payments in Zambia.

The Zambian deployment was a great success with Celpay Zambia processing funds equal to 10% of the Zambian GDP between 2005 and 2010. Today, Celpay Zambia partners with 15 banks. In 2004 Celpay expanded into the Democratic Republic of Congo and has subsequently expanded into Zimbabwe and Uganda. Since its initial launch, Celpay International has processed in excess of US\$2 billion in mobile payments and counts global brands such as SABMiller, Total and BP as customers.

“When we launched Celpay in Zambia, we had no idea that we were pioneers. We just found a solution to a business problem using mobile technology,” said Lazarus Muchenje, Chief Executive of Celpay International. “The Zambian deployment was a runaway success and gave a glimpse of the potential mobile financial services had to offer. We are incredibly proud of how far we, and the industry as a whole, has come over the last decade.”

## **Mobile money: past, present and future**

The achievements of the mobile financial services community in the last ten years are phenomenal. In ten years, 100 million people have been newly 'banked' using mobile technology<sup>1</sup>. While the industry has grown rapidly the segment is still far from reaching its potential. According to the GSMA, 2.5 billion adults still lack access to formal financial services, such as savings, payments, loans and insurance<sup>2</sup>. This has led Juniper Research to forecast that the number of newly 'banked' people will double to 200 million by 2013<sup>3</sup>.

"The last ten years has shown that mobile technology can be an invaluable tool in enabling a sustainable, scalable approach to providing convenient and affordable financial services to the unbanked. The achievements of the mobile financial services community should certainly be celebrated but there is so much more to be done," said Seema Desai, Director for the Mobile Money for the Unbanked Programme, GSMA. "More than one billion customers in developing markets have access to a mobile phone, but do not have a formal bank account. We will continue to work closely with the community to ensure that every person at the base of the economic pyramid can access financial services."

## **The next generation of mobile financial services: opening the loop**

Visa's acquisition of Fundamo in June 2011, and its integration into VisaNet, has created a bank-grade mobile money platform that has the capability to connect existing mobile money services with Visa's global payment network. This means existing mobile money programs across Africa can become interoperable with each other, and can offer consumers the same security, global interoperability and convenience that Visa account holders in developed countries have long enjoyed. From ATM withdrawals, to ecommerce transactions, to paying bills and sending money to family members, mobile money accounts will no longer be limited in geographic reach.

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## **Fundamo, a Visa company**

Fundamo is a wholly owned subsidiary of Visa Inc. and a leading platform provider of mobile financial services for mobile network operators and financial institutions. Fundamo's Enterprise Mobile Financial Services platform has been deployed in more than 40 countries across Africa, Asia, and the Middle East, offering mobile financial services for person-to-person payments, bill payments, wireless airtime top-up, and ticketing. Fundamo is headquartered in Cape Town, South Africa. For more information, visit: [www.fundamo.com](http://www.fundamo.com)

## **About Visa Inc.**

Visa is a global payments technology company that connects consumers, businesses, financial institutions

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<sup>1</sup> Juniper Research, 2011

<sup>2</sup> GSMA, 2010

<sup>3</sup> Juniper Research, 2011

and governments in more than 200 countries and territories to fast, secure and reliable digital currency. Underpinning digital currency is one of the world's most advanced processing networks—VisaNet—that is capable of handling more than 20,000 transaction messages a second, with fraud protection for consumers and guaranteed payment for merchants. Visa is not a bank, and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, ahead of time with prepaid or later with credit products. For more information, visit [www.corporate.visa.com](http://www.corporate.visa.com).

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