Orange’s Mobile Financial Services

The Orange Group's new strategic plan "Engage2025" is in line with Essentiel2020's commitment to diversify into mobile financial services, and makes the latter one of the priority growth areas.
This diversification of mobile financial services began 12 years ago with the launch of Orange Money in Côte d'Ivoire and in 2017 with the launch of Orange Bank in France and then in 2019 in Spain.

Our objective is to strengthen our role and accelerate our growth.

1. Orange Money in Africa and in Middle East

What is Orange Money?

Twelve years ago, Orange launched a product emblematic of a trend which has transformed the African economy: mobile money. With an electronic wallet offering several mobile financial services, Orange Money is about financial inclusion for millions of people who have little access to banking services but who almost all possess a mobile phone. A service that gives the average person, the same instant access, security and traceability of transactions as businesses, governments and administrations.

Orange Money, how it works?

The Orange Money service is available to all Orange customers provided they have a SIM card, a mobile phone and an identity card. Registration is free at all Orange Money points of sale. Money deposits and transfers are made over the conventional GSM network.

To load their account or withdraw money, the customer goes to a point of sale with the desired amount in cash. Following the transaction, the seller and the customer receive an SMS confirmation of the transaction's success. The account is instantly credited. Withdrawing cash is just as easy once the customer has entered their PIN.

Three types of transactions can be made with the Orange Money service:

- **money transfers:** Orange Money makes it possible to send money via mobile phone to any Orange Money customer within the same country and internationally for certain countries.
- **payment:** users can make payments to merchants, pay some bills remotely (energy, tax, university fees, telephone etc.), make purchases on the web or top up airtime whenever they want.
- **financial services:** in Madagascar customers can now access PAMF[1]'s instant credit and savings service from their Orange Money mobile.

[1] PAMF, Première Agence de Micro Finance, is a subsidiary of the Aga Khan Agency for Microfinance (AKAM). A non-profit agency of the Aga Khan Development Network (AKDN) that works to reduce poverty, economic and social exclusion. AKAM manages microfinance institutions in several countries in Africa, Central Asia and the Middle East

Since 2017, Orange created 10 Regulated entities in Côte d'Ivoire, Guinea, Mali, Senegal, the Democratic Republic of the Congo, Burkina Faso, Sierra Leone, Liberia, Madagascar and Jordan.

They issue, distribute and manage electronic money in place of a banking partner. This status makes Orange more agile and autonomous when launching new services. Our customers will have access to increasingly innovative service offers in a shorter period of time.

To ensure banking compliance, the Orange Group created CECOM, a centre for Orange Money compliance expertise based in Abidjan, Côte d'Ivoire.

Orange Money future developments

In twelve years, Orange Money has become one of the world leaders in mobile money. In the next five to ten years, its ambition is to make mobile money an essential payment method and become a leading player in mobile financial services in Africa and the Middle East with the ambition to:
- Offer savings and credit products from partners, previously reserved for banking customers only. Launched in Madagascar and Mali today, these services will be available in other countries. With its own banking license, Orange will offer credit and savings services via Orange Money in West Africa.
-Develop interoperability for transfers and payments, regardless of the operator
-Accelerate digital development with the new Orange Money app with additional new features. Develop API's to make the Orange Money ecosystem open to new partners.
-Accelerate the development of insurance
-Develop the offer for professionals, companies and administrations
-Accelerate conversion to comply with regulatory requirements.

Key Orange Money figures

Service launched in Côte d'Ivoire in **December 2008**

Orange Money is available in **17 countries** of Africa and the Middle East (by order of launch): Côte d'Ivoire, Senegal, Mali, Niger, Madagascar, Botswana, Cameroon, Mauritius*, Guinea Conakry, Egypt, Tunisia, Democratic Republic of the Congo, Central African Republic, Liberia, Burkina Faso, Sierra Leone, Guinea Bissau and Jordan.

In 2019
customers up to: **~48 million (1/3 of the customers in MEA zone)**
active customers: >**18 million (customers who use Orange Money every month)**
point of sales: ~**220,000**
transaction value: **€43 billion**
transaction in volume: **2.65 billion**
Turnover: **€425 million**

Key Orange Money dates

- January 2020: Orange Money launched in Jordan. In 2019, Orange obtained a license from the Central Bank of Jordan to provide electronic payment services. This launch, in a country where 70% of the population is unbanked, represents significant growth potential for the Jordanian economy.

- July 2019: the Orange and NSIA groups obtained from BCEAO, through their joint, the authorization to operate a banking license. This license will enable Orange to launch a digital bank and thus extend its catalogue of financial services to credit and savings for the general public in West Africa

- May 2019: The Orange Money payment is now available in the applications of our merchant partners. Customers can now validate their payments securely from their mobile phone

- November 2018: Orange and MTN launch Mowali, a company that will provide operators and all mobile money providers with an interoperable payment network in Africa with the objective of making mobile money a universal payment solution

- September 2018: Orange Money celebrates 10 years with a pan-African communication campaign

- 2018: International Money Transfer by Orange Money from France to Mali, Ivory Coast, Guinea and Madagascar

- July 2018: After Botswana and Cameroon, Côte d'Ivoire proposes the Orange Money Visa card linked to the Orange Money account. Limited to users of Orange Money, this card is a first in French-speaking Africa. It is no longer necessary to have a bank account to get a Visa card. The Orange Money Visa card meets the needs of all segments of the population looking for basic means of payment. Orange Money users can now carry out their Orange Money transactions at all cash withdrawal and connected payment machines in the Visa network.

- April and June 2018: Orange in partnership with PAMF[2] (Première Agence de Microfinance, subsidiary of the MFI Agha Kahn) offering saving and credit directly from the mobile phone via Orange Money in Madagascar and Mali.

- February 2018: Orange Money International Money Transfer from Botswana to Zimbabwe (non-Orange country). Offered in partnership with TransferTo, a hub for cross-border mobile payments for emerging markets, this service enables Botswana's Orange Money customers to transfer money instantly and securely to Ecocash customers, a key mobile money player in Zimbabwe.

[2] PAMF, Première Agence de Micro Finance, is a subsidiary of the Aga Khan Agency for Microfinance (AKAM). A non-profit agency of the Aga Khan Development Network (AKDN) that works to reduce poverty, economic and social exclusion. AKAM manages microfinance institutions in several countries in Africa, Central Asia and the Middle East.

- Since 2012: Orange Money has been integrated into the digital transformation of our key partners such as Canal+. In 2018, 10 Orange countries in the MEA zone offer Canal+ TV payment via Orange Money.

- April 2017: International Money Transfer via mobile by Orange Money allows money to be transferred Côte d'Ivoire, Mali, Senegal and Burkina Faso and Niger.

- March 2017: UBA (Union Bank for Africa) is the latest bank Orange signed a partnership with, following BNP Paribas, Ecobank, Bank of Africa, Microcred, Banque Atlantique and other local banks in Africa in 2014. Orange Money customers will be able to make transfers from their bank accounts to their Orange Money account (and vice versa).

- December 2015: the three telecom operators in Madagascar – Orange, Telma and Airtel – launched interoperability of their respective Mobile Money services. Each customer can therefore send and receive money to and from all mobile money accounts in the Madagascan market, estimated to be just over four million, including 1.5 million Orange accounts. This was the third implementation of interoperability in the world and the first to concern Orange, and it is the first time that it was carried out at the same time between all of the market's operators.

- January 2015: Orange invests in e-commerce with e-site Jumia, AIG brand (Africa Internet Group), and Afrimarket, the leading start-up in cash-to-goods money transfers. With Afrimarket, Orange Money adds a "cash-to-goods" function to its range of mobile financial services. Available from France, Afrimarket allows direct payment from Europe for the daily needs of family members on the African continent. Orange customers may access the site and pay with their Orange Money account.

- July 2013: International Money Transfer via mobile by Orange Money. The Orange Money International Transfer service allows money to be transferred between mobile phones in four African countries: Côte d'Ivoire, Mali, Senegal and Burkina Faso. Customers can send and receive money via their telephones at competitive rates, with full security, without the need to travel long distances with cash or to send cash via others.

2. Orange Bank in France and gradually in Europe

The launch of Orange Bank in France on November 2, 2017 has made Orange the first telecom operator to enter the French retail banking market.

As at end of december 2019, the bank had over **500,000 customers from 3 acquisition channels**: Orange, Orange Bank and Groupama. The bank has 3 main offer categories: payments (bank accoun, Visa bank cards, mobile payment), loans, savings.

An average of **20,000 customers** join Orange Bank every month, 75 % of them by opening a bank account and 25% of them through a loan. Customers have **a high level of activity**: 50 to 60% make at least one transaction per week, a higher figure than among other neo-banks.

Customer experience is at the heart of the bank priorities. For 2 years, through the creation of **a customer club bringing together 300 of them**, the bank has established a careful listening to user needs which is integrated from the initial services design. The service has also been continually improved: the application has been optimized all over the year **with a major update every 2 months**.

This approach has been recognised by customers and rewarded by experts. In 2019,Orange Bank app scored **4.5 / 5 on Apple Store and Google Pay** and the bank won several awards and distinctions among which:

- D-Rating Ranking (July 2019)
  D-Rating ranked Orange Bank Best digital proposition for the 2nd consecutive year evaluating it ahead of other neo-banks and ahead of traditional banks in terms of mobile banking use.
- meilleurebanque.com (October 2019)
  Winner of the 5th annual "Banking Trophy" among young people.

A disruptive offer

Orange bank intends to offer a modern banking offer, in tune with today's lifestyles and changing the relationship to money.

With the Orange Bank Visa card (*personal PIN code, temporary block / unblock, ability to change withdrawal and payment limit), the* Visa Premium card (*dynamic cryptogram, free Europe and foreign payments, cashback in Orange shops and on orange.fr) or the* Orange Bank personal loan (*calculator and subscription via the app, adjust and unlock funds via the app), the bank relies on* **groundbreaking products that use the latest technology**.

It also propose **popular features for customers** such as:

- Real-time balance
  Checking the real-time balance is the no. 1 criteria for customers choosing a neo-bank.
- Mobile payment
  17% of m-payments carried out in France by Orange Bank in 2018, more than 75% of iOS customers have activated this feature, and Google Pay will be progressively more available for our Android customers.
- SMS transfers
  17,000 transfers by SMS per month on average.
- And a key feature: Banker, sending and receiving money by SMS, launched in 2019.

With artificial intelligence as the first point of contact for all customers and prospects, Orange Bank has introduced a new model of relationship between the customer and his bank. **Djingo, the virtual advisor,** understands nearly 80% of the questions asked in natural language and can perform some bank transactions. Since the launch, more than 2 million conversations between customers and

Djingo have been recorded, 50% of which handled entirely by the virtual advisor. For the most advanced questions, Djingo is supported by the 200 experts of the customer relationship center.

Finally, the distribution of the offer is based on an original model, combining digital, via mobile and web, to the human. Customers can subscribe to an account in **more than 280 Orange IOBSP approved stores** (Intermediaries in Bank Operations and Payment Services). Nearly 2,000 IOBSP certified employees support them with their request to open a bank account via the Orange Bank digital interface.

Three strategic axes

Orange Bank future projects focus on 3 strategic axis.
The first one is to continue **the development of cross-selling opportunities** between Orange Bank and Orange. Results of this strategy in 2019: 5% cashback in Orange shops for Visa Premium card holders since early July, an opportunity that already attracted 11% of them and, since the start of October, the launch of "Le financement Orange Bank" (Telco credit), loans available in Orange shops with 5,000 monthly sales. In 2020, Orange Bank will become the broker for Orange mobile theft and damage.
Second strategic axis: **form new partnerships to offer new services**. This is how, as of December 2019, Orange Bank entered into a partnership with Nexity, on a B2B2C model, for the financing of real estate projects. The purpose is to offer customers faster and easier purchasing and financing opportunities.
At last, the third strategic axis is to **continue the expansion of the bank into international markets**. First step in this strategy, the launch of Orange Bank Spain on 25 November with an offer mainly made of a bank account, bank card, mobile payment, bill sharing functionality. The target is to achieve nearly 5 million customers in Europe by 2023.

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