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The Next Frontier: Leveraging Digital Credit and Assets for Financial Inclusion in Ghana

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Outline

1. Introduction
2. **Market Readiness:** Assessing Ghana's landscape for BoG's digital credit directives.
3. **Deepening Inclusion:** Examining how the directives expand financial access.
4. **Fueling Trade & Industry:** Evaluating the impact on SMEs and economic growth.
5. **Strategic Positioning:** How Mobile Money Limited can lead and facilitate this new era.
6. **Discussion & Next steps**

1. Introduction

INTRODUCTION

- The Bank of Ghana's directives on digital credit mark a pivotal shift in the nation's financial landscape. This regulatory framework is not merely a set of rules; it is a strategic catalyst designed to reshape the economy.
- Our presentation provides a comprehensive analysis of this new era, structured around four critical objectives:
-  **Market Readiness:** Assessing the preparedness of Ghana's local market—its infrastructure, adoption, and potential hurdles—for the successful implementation of the BoG's directives.
-  **Deepening Financial Inclusion:** Examining how the directive moves beyond basic transactions to unlock credit and build financial identities for the underserved.
-  **Fueling Trade & Industry:** Evaluating the direct impact on Small and Medium-sized Enterprises (SMEs), focusing on solving the critical "financing gap" to boost productivity and growth.
-  **Strategic Positioning for MML:** Outlining a strategic pathway for Mobile Money Limited to not just comply with, but actively lead and facilitate this transformation, positioning itself as the engine for widespread economic growth.
- By exploring these interconnected themes, we will chart a course for harnessing this regulatory momentum to build a more inclusive, resilient, and dynamic digital economy for Ghana.

A Fertile Ground: Ghana's Digital Finance Ecosystem

- **High Mobile Penetration:** Over 100% mobile penetration rate provides a vast user base.
- **Widespread Agent Network:** Over 500,000 active mobile money agents facilitating cash-in/cash-out nationwide.
- **Proven User Adoption:** Millions of Ghanaians are already comfortable with digital transactions for P2P transfers, bill payments, and airtime purchase.
- **Supporting Infrastructure:** Growing national identity system (Ghana Card) simplifies KYC and mitigates fraud

"The Ghana card has helped a lot because back in the day, you could just go and get a SIM card, you could get 20 SIM cards, and we wouldn't know who owns them. So you could go take a loan, nobody knows your identity, and you could walk away with it, nobody's problem. But today, everybody's SIM card is linked to their Ghana card"

~ KII DFSP

**2. Market
Readiness: Assessing
Ghana's landscape for
BoG's digital credit
directives.**

2. Assessing Market Readiness

Our study focuses on two out of the four themes on market readiness:

- Consumer Readiness and
- Technological & Infrastructural Readiness



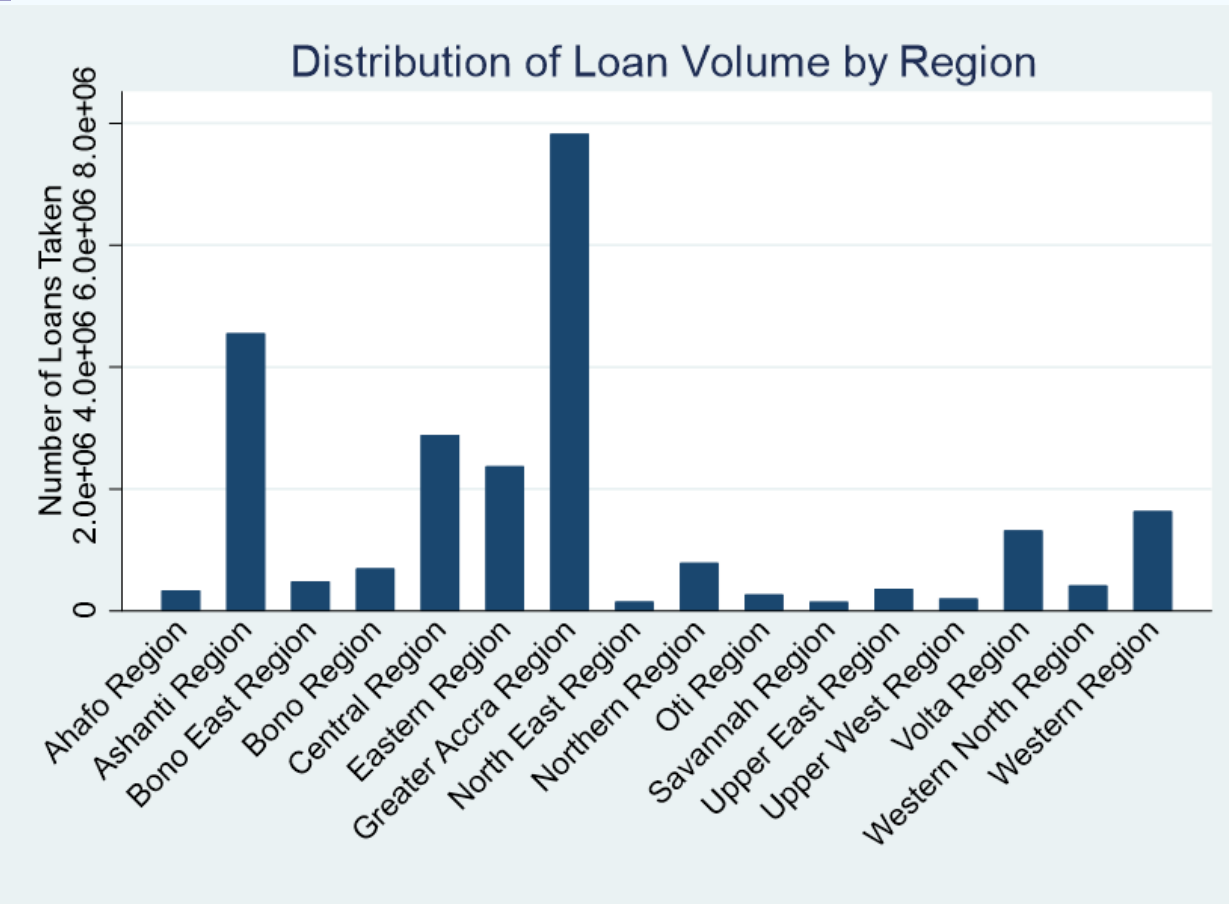
2. Consumer Readiness

Indicator	Summary of evidence	Rating
Awareness of DFS	Near-ubiquitous presence of mobile money by individuals (96% awareness). Individuals' awareness and access to mobile money are almost universal.	High
Usage of DFS and financial behaviour	23 to 24 million active mobile money customers in 2024, roughly 400k active agents, rising transaction volumes and balances. Findex 2025 highlights use of mobile channels for borrowing, with 22% of users borrowing on the platform- (BoG, 2025; World Bank, 2025a)	High
Trust in DFS	42 percent of users of mobile money services noted having trust in the services; 11.8 percent of non-users cited the lack of trust for not using the service (MoF, 2021).	Low to medium
Financial and digital literacy	Financial knowledge/ literacy: Low-54%, Medium-33%, High-13% (MoF, 2021).	Medium
Digital Credit usage	As of 2023, less than 25% of adult Ghanaians had had some credit histories (Ghana Credit Reference Bureau Association, n.d.). About 22% of Ghanaians obtain credit through their momo wallets (World Bank, 2025a). Financial institutions and authorised users conducted 29.5 million credit searches, compared to 13 million in 2023 (BoG, 2024).	Low

MTN's Digital Credit Platform: Loan types

Loan type	Definition
Ahomka Personal	Mobile wallet micro-loan product. Interest rate = 6.9%
Bosea personal	A short-term loan product that provides quick access to credit through mobile phones, allowing customers to borrow based on their financial activity and eligibility
Eazycash personal	Micro lending scheme. Interest rate: 8.9%
Qwikloan personal	Instant digital microloan via MTN momo. Varied interest rate, no collateral, auto deduction at loan due date. Interest rate: 8.9%
Xtracash personal	Cash credit via MTN Diamond Yello wallet. Run in partnership with Forms Capital Ltd. Which hosts loan terms.

MTN's Digital Credit Platform

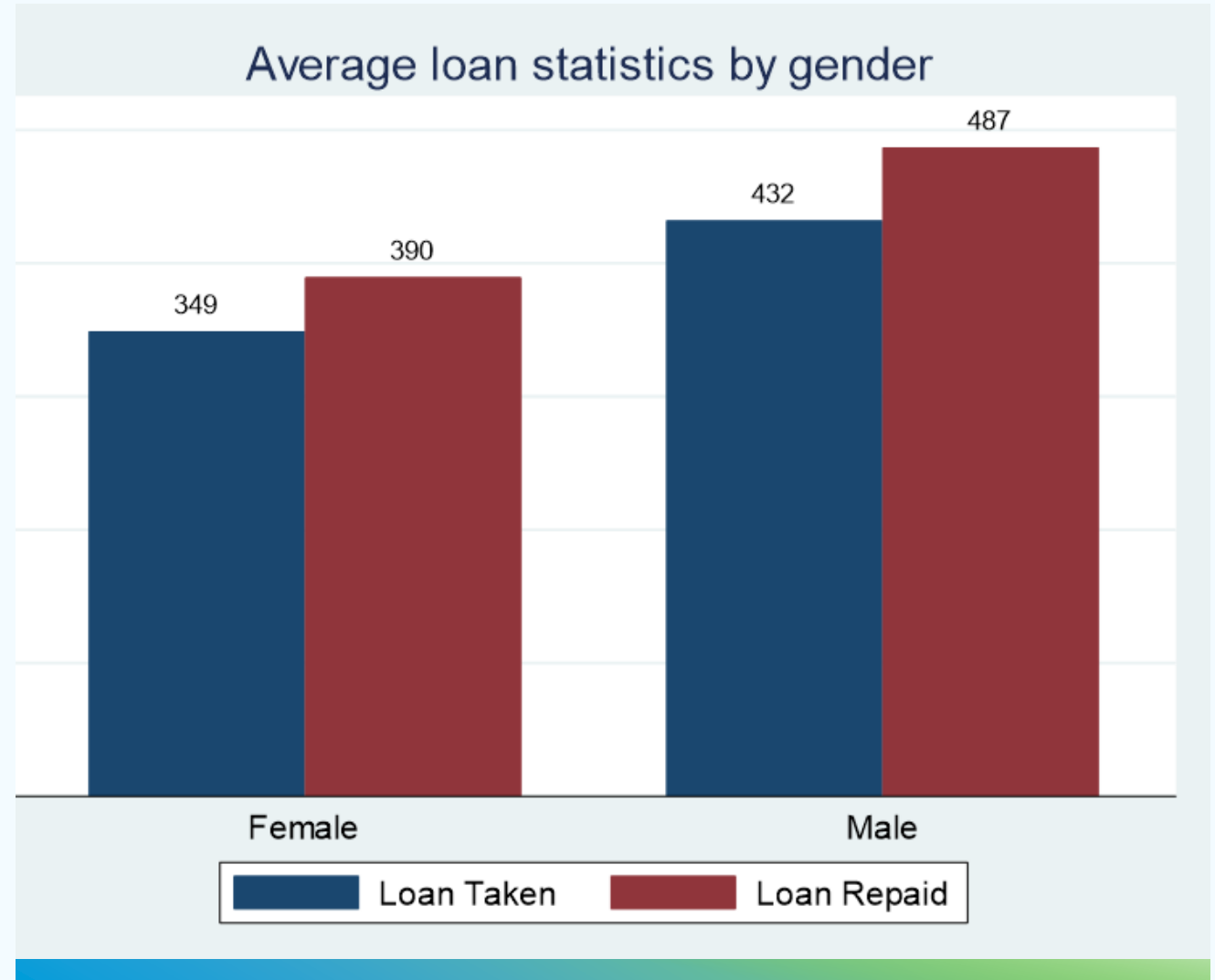


Volumes of loan taken and repayments highest in Greater Accra and Ashanti Regions.

Numbers game, following population patterns

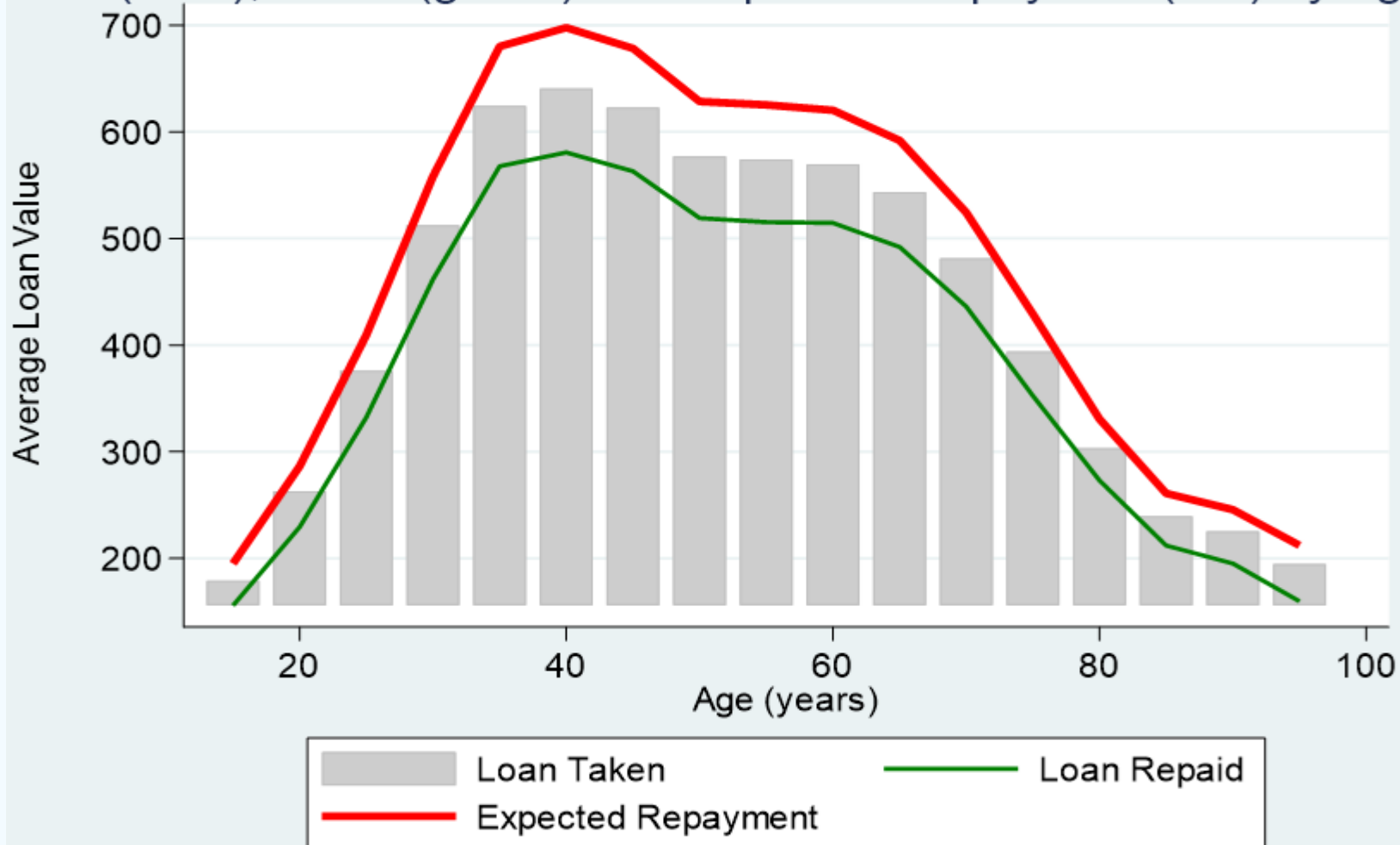
MTN's Digital Credit Platform

- Gender disparity in terms of the average value of digital credit
- Among non-defaulters, males access higher credit values than females



MTN's Digital Credit Platform

Loan(bars), Actual(green) and Expected Repayment(red) by Age



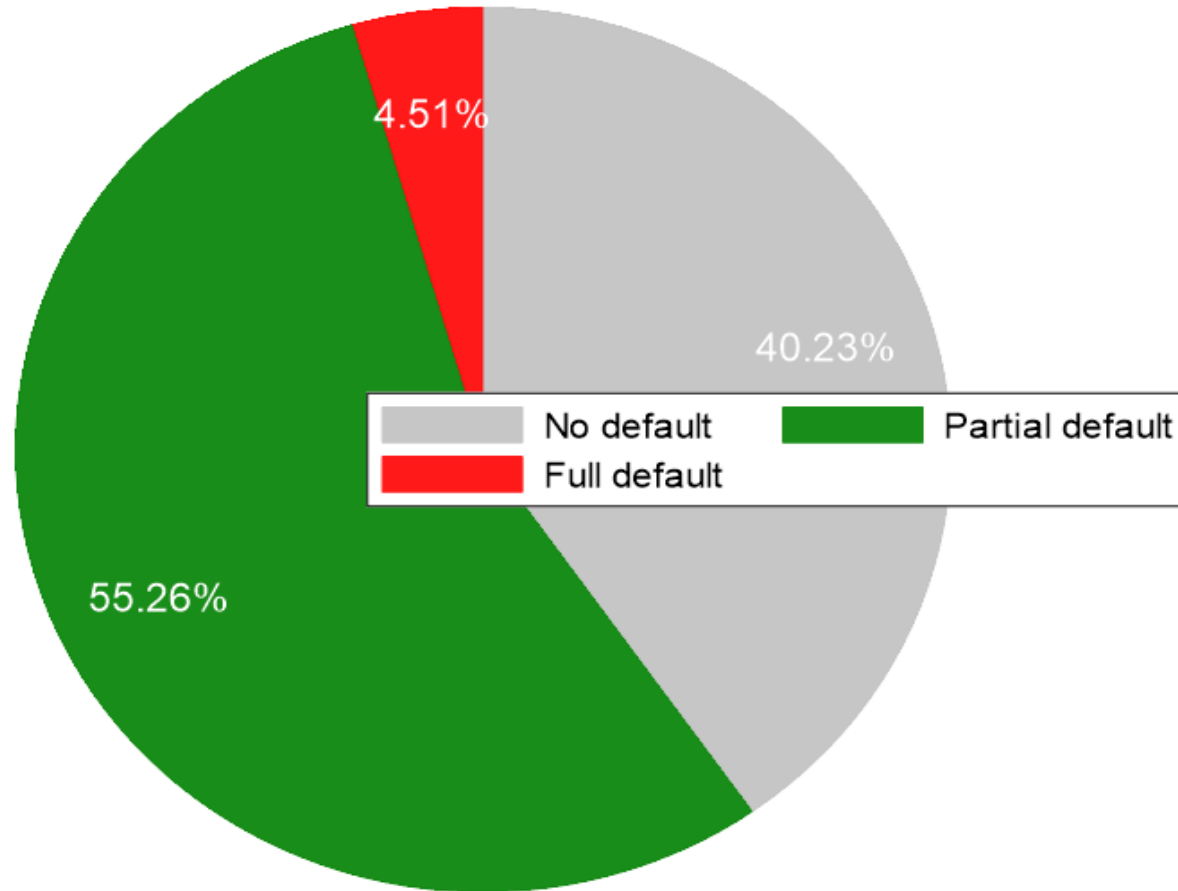
Digital Credit demand is normally distributed

Actual repayment tends to be lower than loan taken, while expected repayment is higher than loan taken

DEFAULT MARGIN varies with age.
-highest among mid-age customers

MTN's Digital Credit Platform

Loan Default Composition



Partial defaulters (could not make full payment within the stipulated period). They are willing but unable to pay. (REASON=High Interest Rate???)

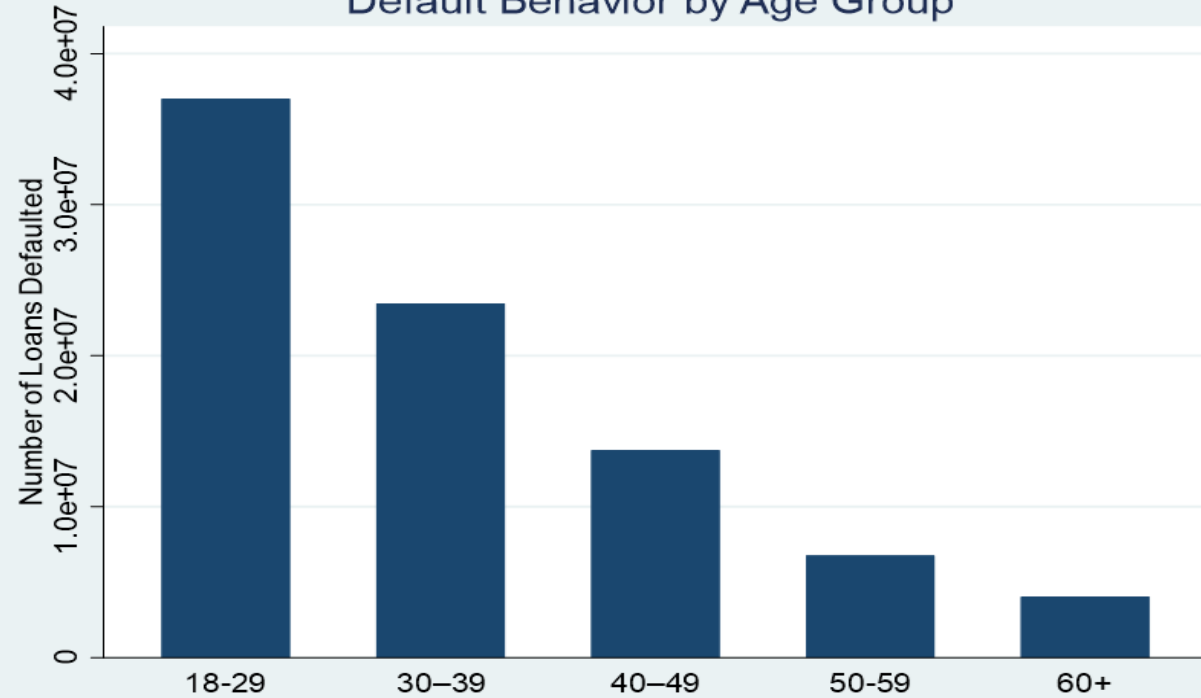
What is the optimal interest rate that will minimise partial default?

How can credit scoring technologies be leveraged to reduce information gaps/risks and thus interest rates?

"Our AI algorithms ensure we assess user's creditworthiness more accurately to reduce these default loans" ~ KII DFSP

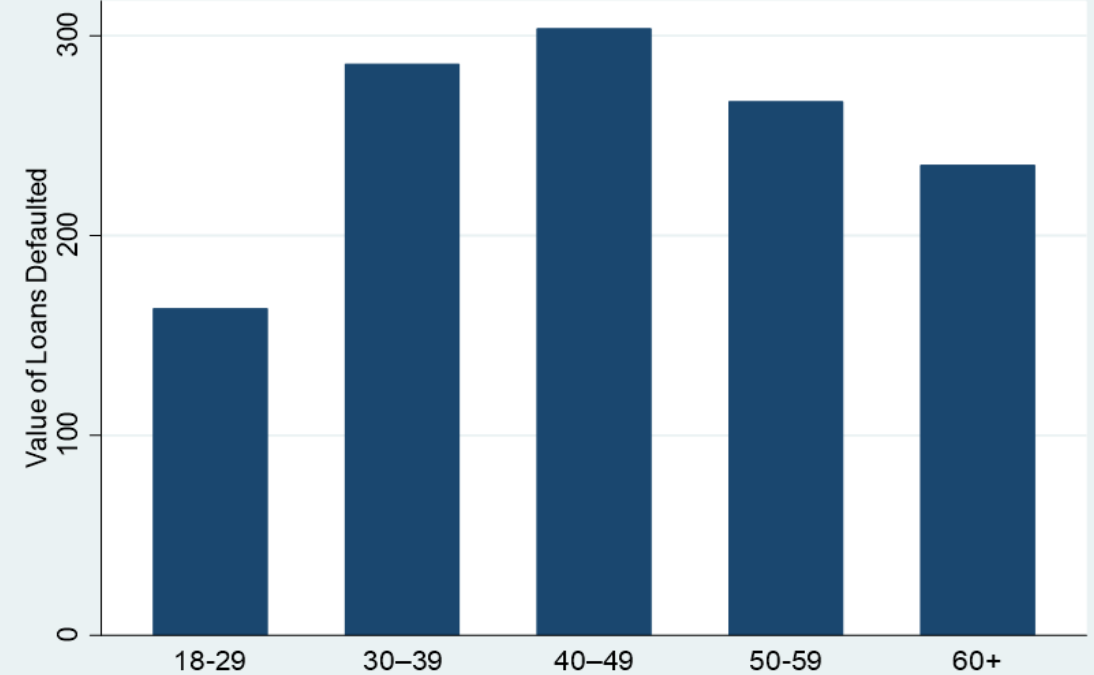
MTN's Digital Credit Platform

Default Behavior by Age Group



Count for loan default falls with age

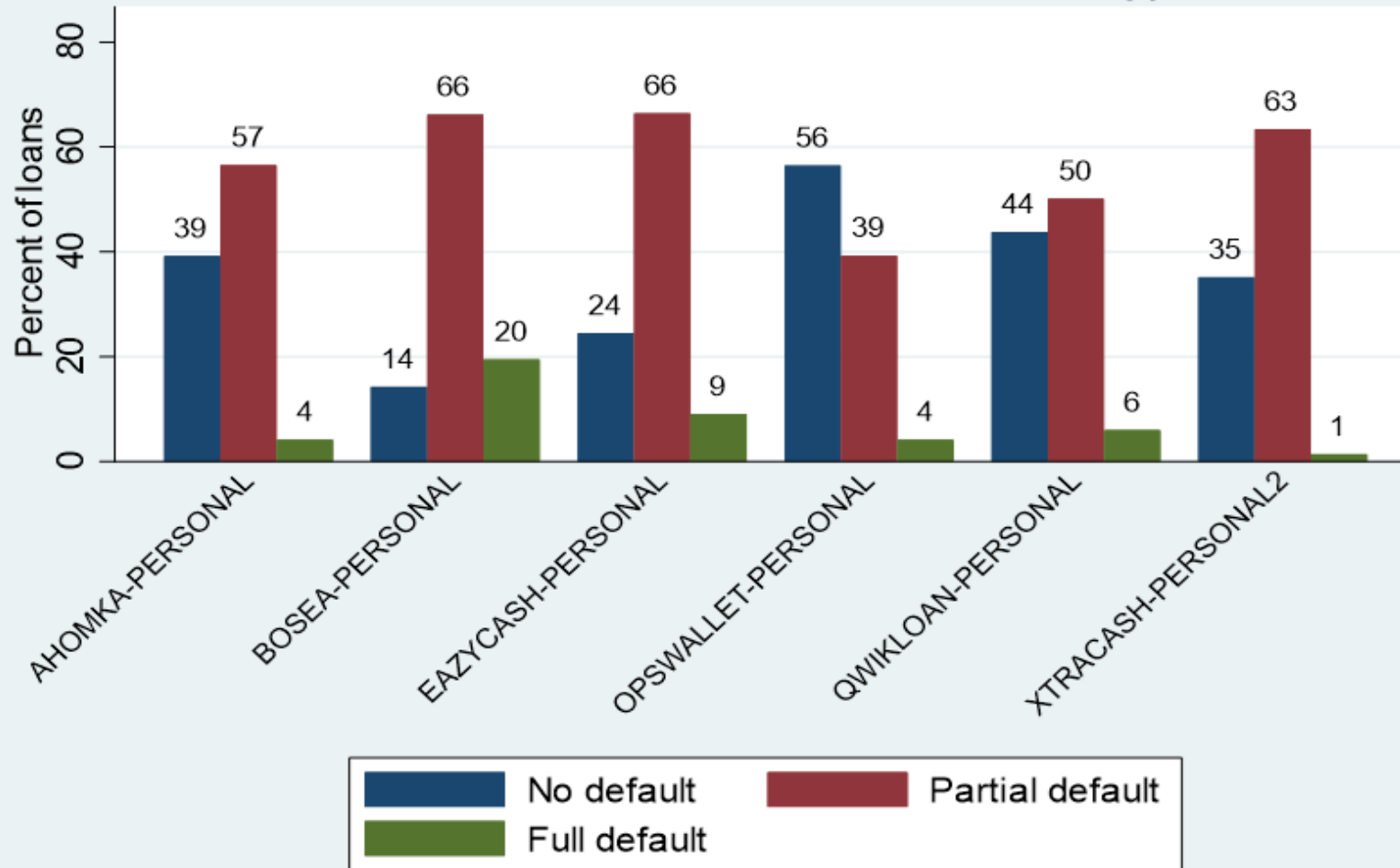
Default Amount by Age Group



The value of loan default is smallest among the young

Case Study of MTN's Digital Credit Platform

Default structure within each loan type

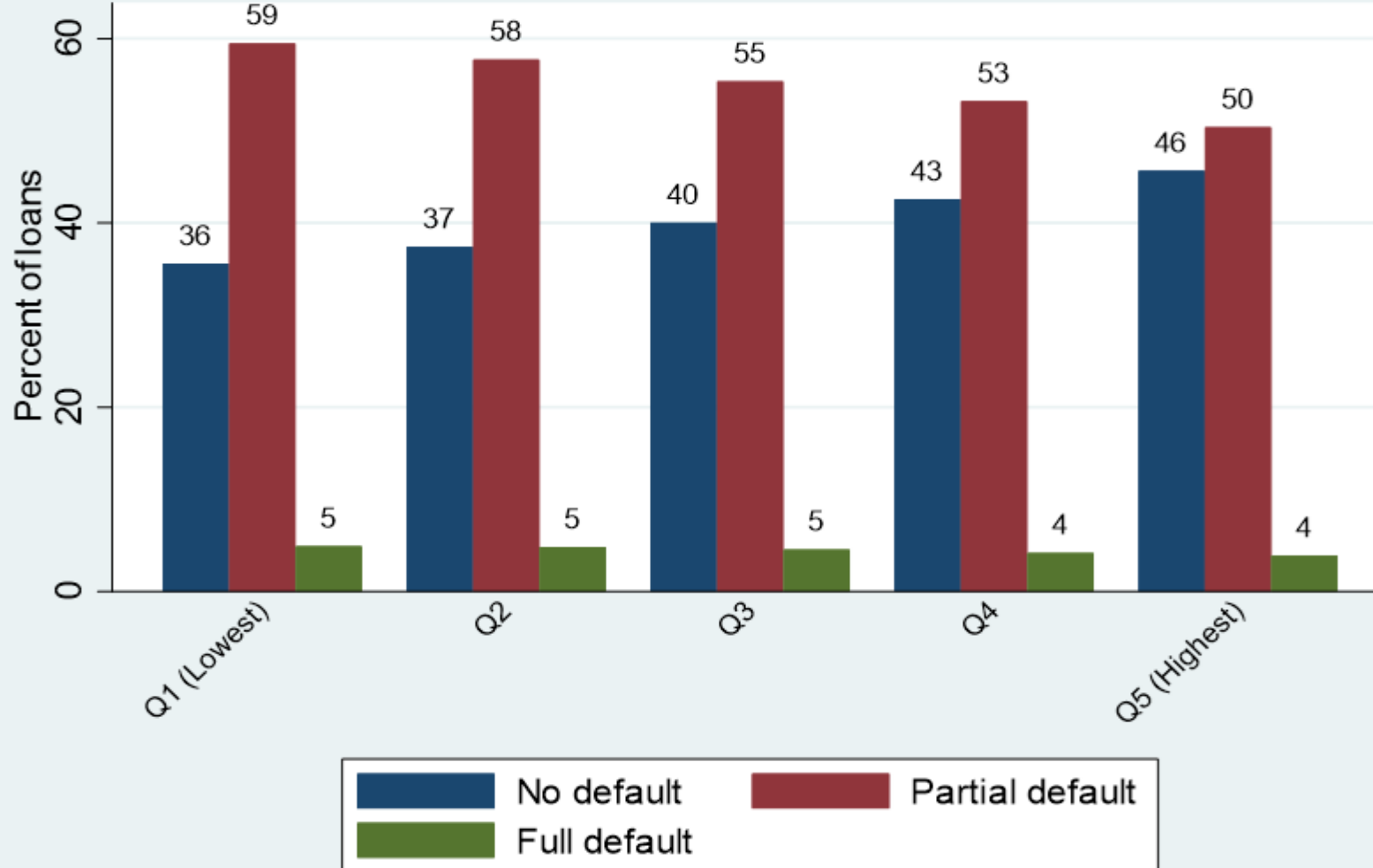


The structure of default differs across products.

Similar Interest Rate is charged for AHOMKA, BOSEA, EAZYCASH and QWIKLOAN, but default structure varies.

Case Study of MTN's Digital Credit Platform

Default structure by quintiles of airtime purchased



Default falls with Airtime Purchase quintile

Low end users tend to record more default. Supports the willingness vs ability to pay argument

2. Technological and Infrastructural Readiness

Indicator	Summary of evidence	Rating
National 3G/4G coverage	Widespread population coverage, ongoing QoS monitoring and drive tests by the regulator. (NCA, 2024c, 2025a)	High
Network reliability	Strong domestic networks, but 2024 subsea cable outages caused multi-day degradation, highlighting resilience gaps in international capacity. (NCA, 2024a, 2024b; Reuters, 2024)	Medium
Access points, agent network density	Around 400k active agents by the end of 2024, agent presence in urban and rural locations (BoG, 2025). Total agents stand at 938k (active-433k) as of August, 2025.	High
Cost of data	Affordability improving across SSA, Ghana performs reasonably but not top tier; cost burdens still bind low-income users. (A4AI, 2024; GhanaWeb, 2024)	Medium
Mobile money interoperability	Live since 2018, supports wallet-to-wallet and wallet-to-bank flows at scale, with large transaction values. (BoG, 2024; GhIPSS, 2024; AfricaNenda, 2024). 1.4% of total momo transaction value and 3.2% of the total volume of momo transactions.	High
Credit Scoring	Credit scores linked with lower default rates (31% better accuracy in predicting repayment), according to Bloom Impact. XDS Data Ghana and Dun & Bradstreet Credit Bureau Limited are able to score 4.5 million Ghanaians (25% of adult population) instead of 5% in 2015. Formal credit Access increased from 8% in 2015 to 27% in 2023 (BoG, 2023).	Low to Medium

**3. Deepening
Inclusion: Examining
how the directives
expand financial
access.**

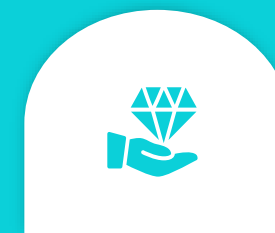
Recognizing the hurdles to financial inclusion



Digital Literacy Gap: Varying levels of comfort with complex financial products among the informal sector.



Consumer Trust & Perception: Historical concerns over predatory lending, hidden fees, and aggressive debt collection need to be overcome.



Infrastructure Gaps: Intermittent network connectivity in rural areas could exclude the most vulnerable.



Data Privacy Concerns: Public awareness and sensitivity around the use of alternative data for credit scoring.



BoG DC Directives: A Strategic Framework for Inclusion and Stability

- Digital credit growth promises large-scale financial inclusion but poses risks of consumer harm.
- The BoG's 2025 Directive is a strategic intervention to capture the opportunity while managing the risks.
- The new framework formalizes the sector, ensuring transparency and accountability.

"We are leveraging these brilliant technologies [AI and Machine Learning] to aid financial inclusion" ~ KII DFSP

BoG DC Directives: Building Trust Through Regulation

- **The Problem:** Widespread distrust and lack of transparency deter the poor from formal credit.
- **The Solution:**
 - **Full Transparency:** Mandatory pre-agreement disclosure of all costs (§6.1b).
 - **Dignified Treatment:** Prohibition of abusive collection practices (§7.2).
 - **Institutional Legitimacy:** Licensing, physical offices (§2.3), and fit-and-proper checks (§2.1).

BoG DC Directives: Leveraging MoMo to promote DC

- **Digital-Only Mandate:** The BoG requires all core services (onboarding, disbursement) via digital channels, forbidding manual processes (§2.3).
- **Proven Precedent:** Builds on the success of M-Pesa and bKash (Kenya), which achieved mass adoption by overcoming physical barriers.
- **Seamless Evolution:** The framework enables a direct transition from digital payments to digital credit, eliminating the need for physical branches.

BoG DC Directives: A Framework for Consumer Protection & Market Stability

- **Challenge:** Predatory practices and data misuse cause psychological harm, social exclusion, and deter formal finance use (Cook & McKay, 2015).
- **Solution: The BoG's Consumer Protection Shield**
 - **Ethical Enforcement:** Bans abusive debt collection (§7.2).
 - **Pricing Integrity:** Mandates transparent terms and bans compound interest (§6.1, §7.1).
 - **Data Sovereignty:** Requires impact assessments and explicit consent for data use (§2.1, §7.3).

What are the directive's adverse risks to financial inclusion?

- **Risk 1: Market Consolidation**
 - High capital and compliance costs (§§2.1 & 3.1) could stifle innovative fintechs that best serve the unbanked.
- **Risk 2: Could Legitimized Over-Indebtedness**

Licensed providers create trust, potentially encouraging excessive borrowing.

 - Mandatory daily credit reporting (§7.3) is critical, but requires seamless, real-time integration to be effective, a challenge seen in past crises (De Quidt et al., 2018).

4. Supporting Trade & Industry: Assessing how BoG's digital credit directives support SMEs.

Solving the SME financing gap & boosting trade



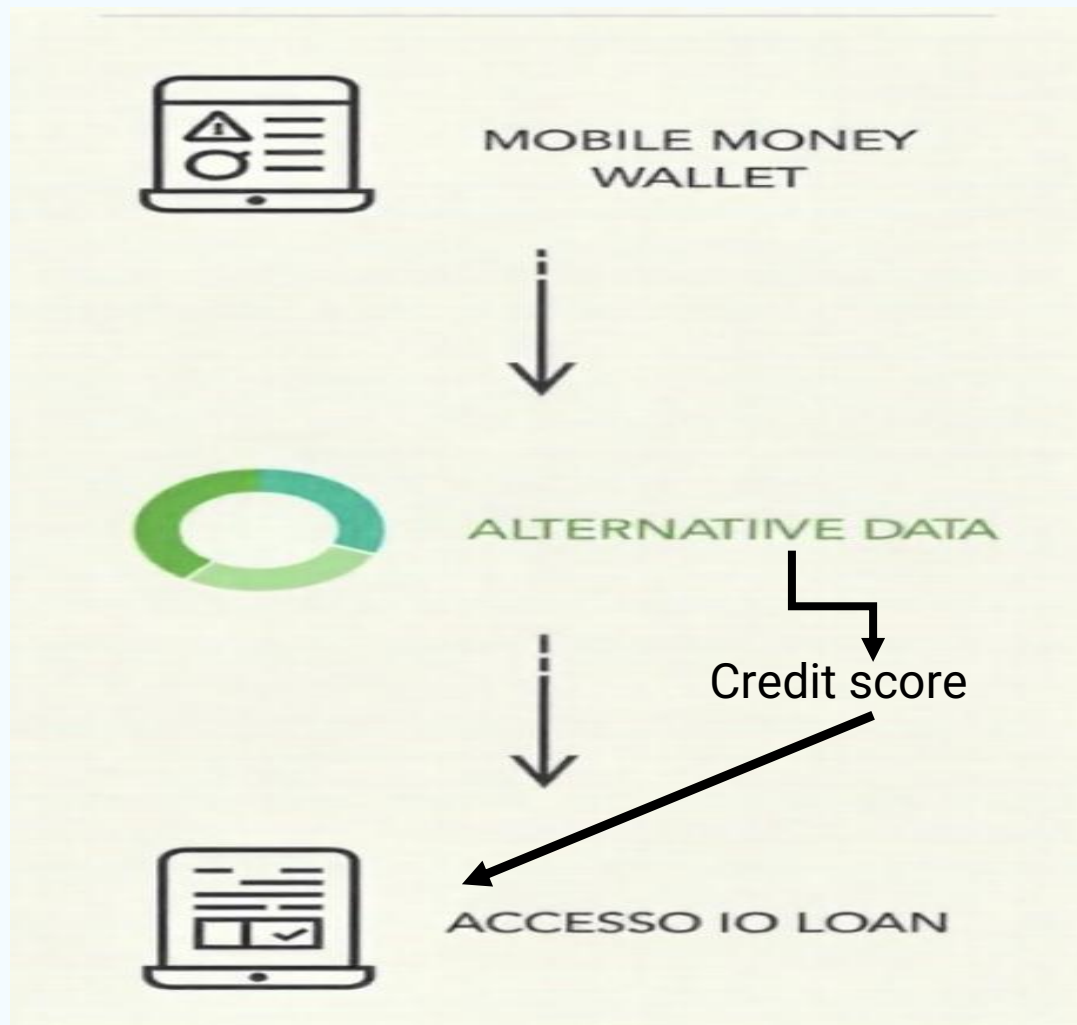
Traditional banks see SMEs as high-risk due to lack of collateral and audited records.



However, the DC guidelines can translate into:

- Working Capital Loans: For inventory purchase and bulk buying.
- Speed & Convenience: Loan disbursement in hours, not months.
- Embedded Finance: Loans integrated into business platforms for suppliers and distributors.

BoG directives: a bridge from access to empowerment



- DFSs can help build financial identities especially for the unbanked
- Momo transactions and airtime purchases can be used to gauge creditworthiness and determine suitable credit thresholds
- Directives will help democratize access to credit for SME operators

5. Driving economic growth through implementation: How MML can actualize the directives to spur national development

Strategic Synergy: MML's Role in Actualizing the BoG Digital Credit Vision

- **Providing Public Infrastructure:** MML's platform offers a ready-made, **cost-effective channel** for disbursement, directly aligning with BoG's goals (§1.3).
- **Architecting Trust:** Can leverage their **trusted household brand** to build the legitimacy and consumer confidence the directive requires.
- **Partnering in Risk Mitigation:** MML's robust, regulated systems can position MML as a **natural partner for ensuring compliance** and mitigating systemic risk.

- **Curate a "Marketplace" for Credit**

Become an API-driven platform where regulated lenders can offer tailored loan products directly to your customer base, with MML providing the data and transaction rails.

- **Champion Financial Literacy & Consumer Protection**

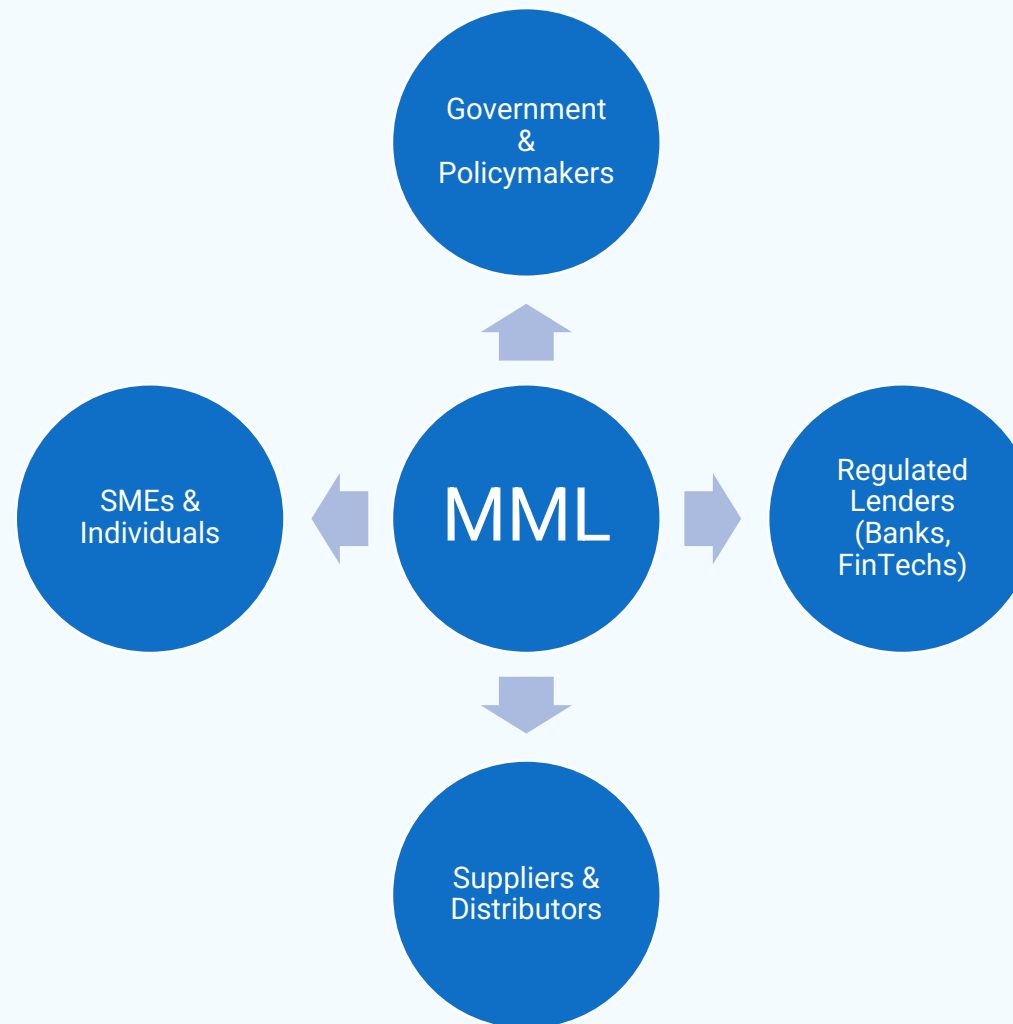
Educational campaigns on responsible borrowing.

Transparent pricing and ethical collection standards to build industry-wide trust.

- **Build SME-Specific Solutions**

Develop pre-approved products like "Inventory Credit" or "Supplier Finance" & integrate into the business's daily MoMo operations.

MML: An integrated digital financial hub



Discussion & Next Steps



Thoughts:

- The BoG's directives are a game-changer, aligning policy with market reality.
- They create a powerful trifecta: **Financial Inclusion, SME Growth, and National Economic Development.**
- For MML, this is not just a compliance exercise, but a strategic mandate to lead and define the future of finance in Ghana.



Next Steps:

- Develop a pilot SME focused lending model and test it
- Launch educational campaigns to create awareness on digital credit
- Think through possibility of setting up an API driven credit marketplace for licensed partners



THANK YOU