

# Designing Products and Developing Institutions to Serve Low-income Women

With support from the Financial Sector Deepening Africa



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# Introduction

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## **Financial services such as credit and savings can transform a woman's life.**

They can provide stability and security as she juggles various day-to-day expenses and a precarious income to build a more prosperous future. But too many women lack access to quality, formal financial services. They are forced to save in less reliable ways that can risk losing their hard-earned money. And too many banks are wary to provide credit to low-income women, mistakenly seeing them as too risky to work with. Even when women have physical access to an institution, they often either do not trust banks to safely manage their money or they feel that the bank's services are out of reach and don't meet their needs.

Since 2014, in order to better serve low-income women in Sub-Saharan Africa with financial products, Women's World Banking and Financial Sector Deepening Africa (FSDA), an initiative funded by the U.K.'s Department for International Development (DFID), have partnered to build the capacity of leading financial institutions in Nigeria, Tanzania and Malawi as well as local markets. Over the course of the last five years, Women's World Banking frequently shared its insights, successes and challenges on the Women's World Banking blog.

To conclude the five years, Women's World Banking has drafted this digital anthology to summarize the work to reach more than 1.5 million un- and under-banked clients in Nigeria (Diamond Bank), Tanzania (NMB) and Malawi (NBS Bank). It is our hope that all stakeholders committed to expanding financial inclusion — financial service providers, regulators, and donors — will take these lessons to heart. Beyond supporting institutional and market change, this partnership aims to share knowledge in order to raise awareness of the market opportunities to serve women clients as drivers of economic change and managers of household security as well as the role of women within financial institutions as institutional catalysts that can drive better business results and improve service to women clients. Women's World Banking thanks FSDA for its continued close partnership on this project and DFID for its generous support.

# Blog Entries

Since 2015, Women's World Banking has shared what it has learned from its work in Nigeria, Tanzania and Malawi on its blog.

**JANUARY 26, 2015**

- Investing in Clients of Tomorrow: Serving the SME segment effectively [↗](#)

**FEBRUARY 9, 2015**

- Broadening Horizons in Africa: Introducing Women's World Banking's Africa Advisory Council [↗](#)

**JUNE 8, 2015**

- ◆ How low-income Nigerian women with no credit history are getting bank loans [↗](#)

**JANUARY 25, 2016**

- The challenge of making digital financial services work for women [↗](#)

**AUGUST 24, 2016**

- ▲ Tanzanian Teens Want To Save Too [↗](#)

**NOVEMBER 7, 2016**

- Becoming Nigeria's "bank for everyone," starting with women [↗](#)

**NOVEMBER 14, 2016**

- High-tech practices bring better banking to low-income women [↗](#)

KEY

- Adult Savings
- ▲ Youth-Focused Savings
- Enterprise Growth
- ◆ KWIK Loan
- + Leadership Training
- Other

**APRIL 3, 2017**

- + Have you found your ikigai? [↗](#)

**APRIL 10, 2017**

- Agency Banking is Bringing Financial Services to Low-Income Women [↗](#)

**MAY 15, 2017**

- How is Checking Your Balance Just Like Ordering a Burrito? Fast Food Menus Offer Lessons for Financial Institutions [↗](#)

**JUNE 19, 2017**

- Building an SME Credit Program: What are the must-haves? Lessons from the NBS Bank experience [↗](#)

**JULY 24, 2017**

- + Reflecting on a Leadership Program: What are the must-haves? Lessons from the NBS Bank experience [↗](#)

**NOVEMBER 13, 2017**

- ▲ Growing Up Banked: How to Sustainably Serve Youth throughout their Lives [↗](#)

**MARCH 12, 2018**

- On International Women's Day, Women Save to Succeed [↗](#)

**APRIL 16, 2018**

- Digitizing for an Inclusive Value Chain [↗](#)

**JULY 30, 2018**

- Nigeria's missed financial inclusion targets: Is there a light at the end of the tunnel? [↗](#)

**SEPTEMBER 17, 2018**

- Leadership Training and Diamond Bank to Better Serve Women-led Enterprises [↗](#)

As of April 2019, Diamond Bank has merged with Access Bank.

# Background

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**Institutions and markets have a lot of work to do** to better serve women. In 2014, when the project commenced, only 21 percent of women in Sub-Saharan Africa had access to an account at a formal financial institution according to the Global Findex, compared to the OECD average of 89 percent. In 2017, that percentage was 37 percent. But while disproportionately underserved, women are the strongest potential clients for financial institutions with

historically higher savings and loan repayment rates. By developing a program that is commercially viable and sustainable, the partnership between Women's World Banking and FSDA illustrates the social and financial benefits of serving the women's market. This digital anthology is divided in two sections: Designing Products and Developing Institutions.



## 37%

ONLY 37 PERCENT  
OF WOMEN IN  
SUB-SAHARAN  
AFRICA HAVE ACCESS  
TO AN ACCOUNT AT A  
FORMAL FINANCIAL  
INSTITUTION



DESIGNING PRODUCTS

# ADULT SAVINGS



# The Project

## **Nigeria has one of the strongest savings cultures**

among all the countries Women's World Banking has worked. Women market sellers put aside an average of 60 percent of their daily income in various informal savings methods. According to women interviewed by Women's World Banking's, money not put aside easily "slips through your fingers" on daily needs, on little things for the kids, or small luxuries".<sup>1</sup>

Diamond Bank and Women's World Banking created BETA (meaning "good" in pidgin English), a savings account designed to close the emotional gap between women and banks. BETA is an innovative and relevant savings product that crosses the barriers that prevent low-income Nigerians from accessing formal financial services. Targeted to entrepreneurs and traders - particularly women - it encourages customers to save consistently on a daily basis.

Consumer preferences revealed that opening and maintaining an account needed to be as convenient, safe, and affordable as possible. Therefore, customers can deposit and withdraw whenever they want, use their mobile phone to access services, or work directly with bank agents (BETA Friends) right at their place of work or home, a concept based on a popular informal savings practice called "ajo," where a money collector visits women in their home or business to collect small deposits. One woman client who works with her BETA Friend put it quite simply: "I want them to be coming around often so that I can save my money, so I can use it to do better things for myself."<sup>2</sup>

**"My BETA friend is good and friends with everyone. He helps people save. He's friendly compared to other people... he's encouraging."**

<sup>1</sup> Women's World Banking, "Diamond Bank Storms the Market: A BETA Way to Save"

<sup>2</sup> Paul Musoke, [On International Women's Day, Women Save to Succeed](#), March 12, 2018

The BETA Savings account was the first savings account to be rolled out specifically to market traders. However, in talking with women, Women's World Banking found that women responded well to goal-oriented savings accounts. Thus, Diamond Bank and Women's World Banking introduced the BETA Target Savers program, a second account designed specifically for saving for a specific goal. "You keep your money to achieve what you want to do. You keep in the back of your mind to achieve your goal," said one woman client.

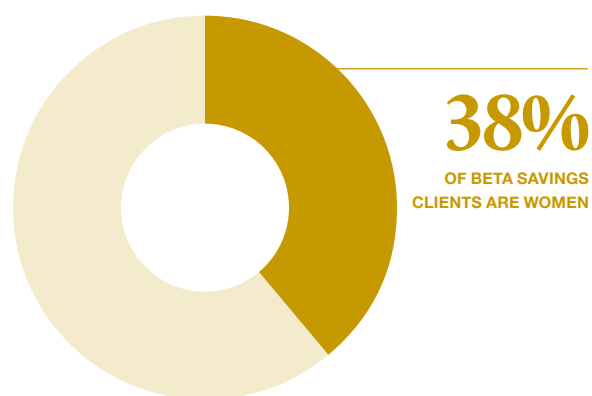
Because client transactions relied heavily on BETA Friends, Diamond Bank and Women's World Banking designed performance management and reporting structures to drive productivity of BETA Friends visiting clients more frequently, ensuring regular account activity, and nurture client satisfaction. The bank also produced sales tools and incentive schemes to boost agent performance.

In many ways, BETA Savings has been a success. The bank has opened over 620,000 BETA accounts. But despite being designed explicitly to reach women without alienating men, the percentage of BETA account-holders who are women holds at 38 percent. Why?

Diamond Bank's challenge with attracting women clients reflects an important finding from decades of Women's World Banking research: women are more deliberative than men in opening an account and require more information and dialogue with financial service providers.

Many women had questions and wanted to check with other sources before entrusting their hard-earned savings to a BETA Friend. Diamond Bank still saw potential in working with women customers - once convinced, they are active and reliable savers. Diamond Bank introduced a bonus scheme, "Focus on Women," paying BETA Friends a higher incentive for opening accounts for women and a higher percentage on balances in their accounts. Within a few weeks, the share of new accounts opened by women rose from 32 percent to 50 percent.

It is important to note however that after this scheme was run the first time, the institutional focus wore off, and with it the bonus effect of attracting more women clients. Today, the percentage of women BETA clients remain steady at 38 percent. Integrating the focus on outreach to the women's market into the institution's long-term strategic growth plans and key performance indicators as well as locking in commitment at the highest level will help ensure this focus is sustained in the long term and thus achieve the goal of reaching more women.





# Lessons Learned

Four lessons emerged from Women's World Banking and Diamond Bank's experience developing a digital savings product for women through BETA Savings:

## **Women will adopt digital savings products, but human interaction is necessary for accounts to be used actively.**

BETA Friends bring customer service directly to clients, visiting busy urban marketplaces to meet clients one-on-one. Women appreciate the daily interaction with agents who collect money which recalls the "ajo" savings tradition. The BETA Friend proved to be the most popular channel for customers to use. In addition, working with agents in person allows women to overcome the emotional barriers to opening an account, growing trust and building a relationship with the institution. As one woman client said, "My BETA friend is good and friends with everyone. He helps people save. He's friendly compared to other people... he's encouraging."

## **Banking agents' performance management system must be defined according to the product's key proposition.**

Client visits and transaction activity are the key behaviors that drive BETA's success and are thus the primary indicators that need to be monitored. Diamond Bank and Women's World Banking found that organizing agents under a broad sales management umbrella as opposed to branch management provided better oversight and monitoring of agents.

## **Women are motivated to save and creating goals is critical.**

Clients' dedication to reach their savings goals by saving in a safe account is one of the main drivers for the success of the program.

## **Reaching the women's market requires sustained institutional focus, not just women-centered product design.**

Women are more cautious when taking up new products, even ones designed to appeal directly to them. Institutions that are serious about reaching this market must identify all aspects of operations, strategic planning, communications and the customer lifecycle and embed incentives or processes that ensure women-focused initiatives are sustained beyond an initial campaign.

### **BETA IN THE BLOG:**

[Women Save to Succeed](#)

[How is Checking Your Balance Just Like Ordering a Burrito?](#)

[Agency Banking is Bringing Financial Services to Low-income Women](#)

[High-tech practices Bring Better Banking to Low-income Women](#)

[The Challenge of Making Digital Financial Services Work for Women](#)

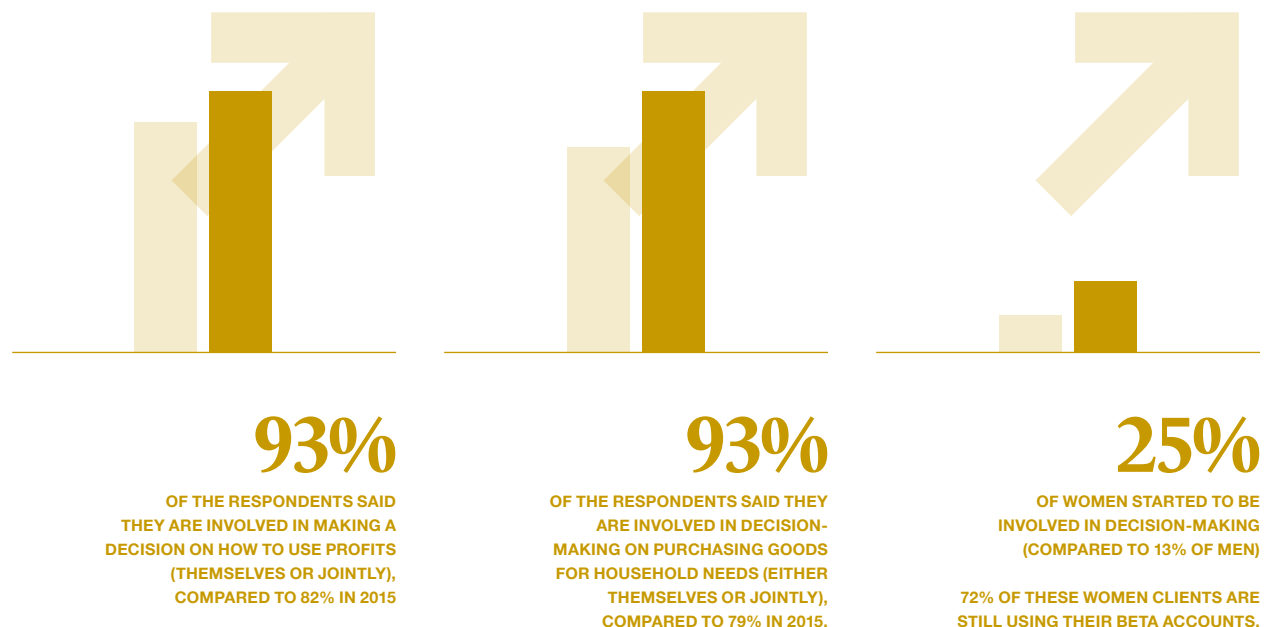
# BETA Outcomes

Women's World Banking conducted a baseline and end line survey, along with evaluating administrative data and conducting qualitative interviews to determine what the impact of BETA accounts had on customers. The baseline survey was conducted in 2016 with end line conducted in 2018. Overall, the outcomes for BETA clients were mixed. Since the introduction of BETA, account uptake has continued to grow among both men and women. The BETA account is seen as a safe alternative to informal savings mechanisms commonly used among BETA clients and among active clients, it is viewed to help with short-term saving goals. Unfortunately, the economic climate in Nigeria impacted clients views of saving and limited business and household

finance decisions. In particular, 87% of survey respondents are worried about the Nigerian economy in the future. In addition, engagement remained relatively low from baseline to end line.

There are some differences between men and women and their BETA activity. Women are more likely to be active (52%) and more likely to deposit more frequently but have lower balances on average. Women's deposit to withdrawal ratio is 7:1.

Women's World Banking also looked to see if there was any change in BETA clients' economic empowerment from 2015 to 2018.



# BETA Outcomes

When asked why BETA clients did not build significant balances, two main reasons were raised:

- Active BETA clients were saving for short-term goals, not long-term goals
- BETA clients were wary of keeping money in a bank in the current economic climate in Nigeria

Other key findings included:

- BETA Friends were instrumental to clients' savings behavior: "I started my savings habit as a result of opening the BETA account. Being able to save small amounts of money on a regular basis allowed me to think about a budget and plan for my savings goal."

13% of BETA clients who stopped using their account cited the fact that they did not see their BETA Friend

Although activity rates were not high and the instability of the Nigerian economy created uncertainty among BETA clients, the power of a safe place to save can be seen in the increase in women's decision-making, the deposit to withdrawal ratio of women clients, and the ability to create a savings habit through the BETA Friends.

"I started my savings habit as a result of opening the BETA account. Being able to save small amounts of money on a regular basis allowed me to think about a budget and plan for my savings goal."

DESIGNING PRODUCTS

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# YOUTH SAVINGS PROPOSITION



## Women's World Banking knows from its research that youth are already saving

from the pocket money they receive from parents or relatives, or money from odd jobs at different times of the month or year. Many of them use these savings to contribute to the costs of their schooling. Yet engaging youth to use formal financial services remains a challenge. Because their income is not consistent, some may not consider a bank account as relevant to them.

Youth that do consider saving in a bank face other challenges: they may not be able to access their accounts through traditional channels, such as bank branches, which close early and are perceived to be very formal with long lines. They prefer online and mobile channels, as well as ATMs.<sup>3</sup>

On the other hand, parents may feel youth are not sufficiently ready or mature enough to manage their own finances, though parents agree that youth should be financially prepared for the future.

“My dream is to have money in a bank so I can manage it in a better way.”

– Youth Saver, Tanzania

<sup>3</sup> Ryan Newton, Remarks – Dreamville launch, March 15, 2018 (Lagos)





# The project

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**Launched in 2015**, Diamond Bank's youth offerings take a lifecycle perspective to serving youth and parents through segmented products, each targeting young people at different ages. Thirty-two percent of young people (15-24) in Nigeria are unbanked, compared to 44% of adults<sup>4</sup>. Diamond Bank's Youth Savings proposition reached 749,000 clients as of September 2018. Almost half of all accounts were opened by young women or mothers, for the parent-controlled accounts. Women's World Banking's support of Diamond Bank to reactivate inactive customers played a large part in increasing the amount of accounts.

Diamond Bank offers a multigenerational youth proposition through three accounts, each targeting a specific segment, complemented by an innovative financial capability platform called DreamVille:



## **Diamond Future**

is a parent-controlled account where parents can save for their child's future. This account can be opened by any parent with a child age 0-17, and can be maintained even longer if the parent wants to continue saving for events in their child's life such as marriage or buying a house. The account includes a special 13th month bonus at the end of each year-long period of saving.



## **Diamond Cool-Teens**

is an account where teens ages 13-17 can save and practice good money management habits, with oversight from their parents.



## **Diamond SWAG,**

or "Students With A Goal," is an account for university students or members of Nigeria's youth service corps, designed to help them save and prepare to enter the real world after graduation.<sup>5</sup>

<sup>4</sup> Global Findex 2017

<sup>5</sup> CGAP, "[From Diamond Future to Cool Teens to SWAG: Designing Financial Products for Young People](#)"

Women's World Banking also worked with NMB in Tanzania to develop the WAJIBU youth savings proposition, meaning responsibility. It includes a suite of three savings accounts designed to serve youth at every stage of their lives and to help parents and youth conveniently save and manage money, independently or together, toward their goals:

- NMB Mtoto Akaunti is a parent-controlled account for children through age 17,
- NMB Chipukizi Akaunti is particularly unique as it is the first account of its kind to be introduced in Tanzania, allowing teens ages 13-17 to manage their own accounts in their own names<sup>6</sup>.
- NMB Mwanachuo Akaunti is designed for students above age 18.

**NMB Chipukizi Akaunti is the first account of its kind to be introduced in Tanzania, allowing teens ages 13-17 to manage their own accounts in their own names.**

<sup>6</sup> [Women's World Banking blog](#).



# Lessons Learned

Some common lessons emerged from Women's World Banking's work on youth savings with both institutions:

## **Any youth proposition must include a multigenerational approach**

that speaks to parents who wish to support their children in engaging with a financial institution, as well as older youth who are able to transact and manage their account independently.

## **Banks need a migration strategy in place as youth will often not transition themselves to adult accounts.**

Financial institutions must develop clear procedures for transitioning youth clients to adult accounts and services once they age out of the youth proposition to encourage continuity of the relationship with the bank. Chances are, youth will not initiate moving to new products themselves. Missing these key transition points is a lose-lose proposition for banks who do not realize the future profit from their investment in acquiring young customers and the youth customers who suddenly no longer have a safe place to save.<sup>8</sup>

## **Youth understand the benefits of banks and aspire to have the security of a bank account to save more than mobile.**

Surprisingly, youth in Tanzania, although typically early adopters of technology, are less interested in saving via mobile money accounts than having an account at a

bank. They prefer a more formal method of saving but for now, mobile money is easier to access and use.

"For me, it's not like I like putting money in the phone, but my dream is to have money in a bank so I can manage it in a better way than putting in a phone," said a 16-year-old from Dar Es Salaam. According to another youth, "mobile money is a place to spend money more than a place to save money. [Money in mobile accounts] goes really easily." Women's World Banking's work in Nigeria has shown that youth are aware of the benefits of savings accounts and associate banks with security, money management, convenience, and planning for the future.

## **Gender differences in savings behavior among youth starts early.**

In Tanzania, female youth ages 13-17 were more likely to have deposited money at a bank while male youth were more like to have asked a question directly to bank staff members.

## **Gamified content needs to be refreshed frequently. When introducing digital content, it is necessary to have a roadmap of updates to keep content fresh to drive engagement.**

<sup>8</sup> Meghan Flaherty, [Women's World Banking blog post](#), November 13, 2017

# Two Approaches to Financial Capability

## **When introducing youth savings, integration of financial capability training is critical to teach savings behavior from a young age.**

With Women's World Banking's work in Nigeria and Tanzania, we took two different approaches to enhancing youth and their families' financial capabilities. Women's World Banking supported Diamond Bank in designing and developing a gamified youth portal that aimed to enhance youth customers' financial capability. Women's World Banking worked to engage key stakeholders at the bank in developing the portal blueprint, develop the business case, select the vendor, design product features and conduct user testing. This process ensured the platform was being designed for the end users and was ultimately more cost efficient. The gamified financial capability platform, DreamVille was launched in March 2018. Youth can link their Diamond account to the portal and view their balances and set savings goals while playing games and reading comics that reinforce financial literacy. According to Diamond Bank's chief spokesperson,

Chioma Afe, the DreamVille online community and the development of the platform are "revolutionary" and tallies with the bank's goal to meet the changing needs and lifestyles of customers.

Women's World Banking and NMB paired the WAJIBU proposition with Jifunze, Jipange – WAJIBIKA! (Learn, Get Organized – Be Responsible), a comprehensive financial capability program for youth and parents. NMB worked with schools to bring financial capability classes to both parents and youth in order to drive account openings and subsequent engagement. The curriculum included three sessions to build savings behavior and account understanding. More than 11,000 youth went through the program from January-July 2018; however, only 8% opened Wajibu accounts compared to a target of 25 percent. Women's World Banking and NMB are currently looking at ways to optimize the financial capability training in order to improve the financial knowledge of youth and increase engagement with NMB.

**The DreamVille online community is “revolutionary” and tallies with the bank’s goal to meet the changing needs and lifestyles of customers.**

<sup>7</sup> Dreamville Launch press release

# NMB Outcomes

Women's World Banking conducted a quasi-experimental design with three groups to look at the impact of the Wajibu financial capability training on youth and their parents.

	PARENTS	YOUTH
Group 1: Attended Financial Capability	306	190
Group 2: Mtoto / Chipikizi Account-Holders	228	37
Group 3: Control (recruited from training areas)	535	153

To evaluate the impact of the intervention, double difference was used (Difference in Difference); this method compares the difference both between treatment and control groups, as well as before and after the intervention.



# NMB Outcomes

Parents in households that attended financial capability training are spending significantly more time with their children.

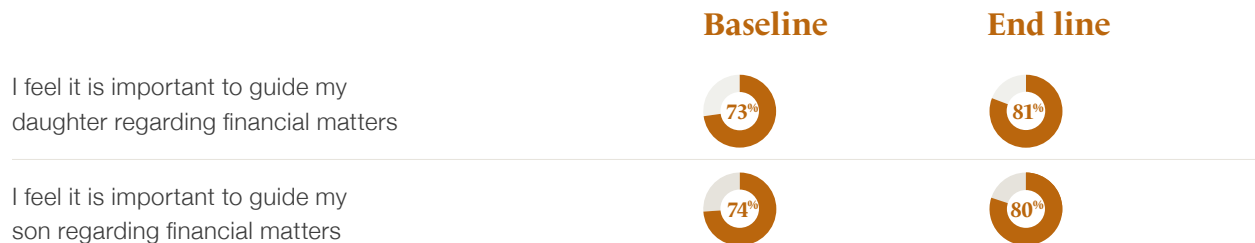
## % Parents Actively Spending Time with Youth

	TOTAL	GROUP 1	GROUP 2	GROUP 3
BASELINE	82%	84%	78%	82%
END LINE	91%	97%	91%	88%

When you spend time with your children, what do you usually do during this time?

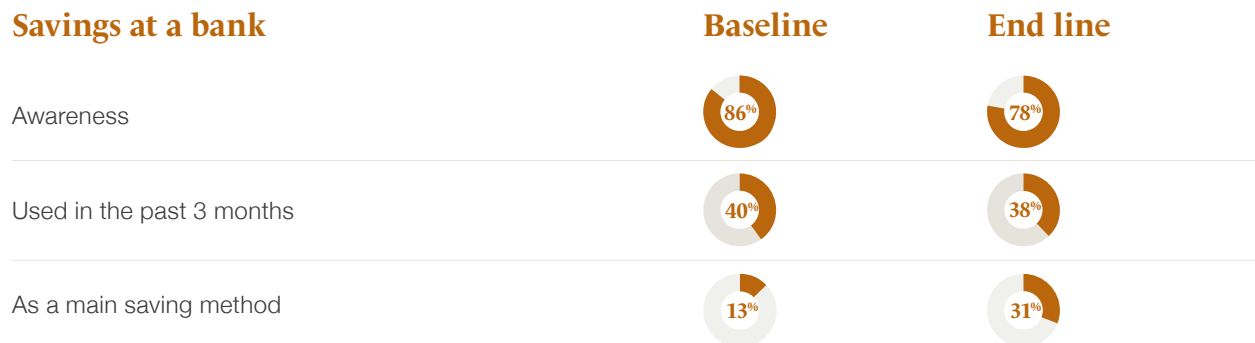
	Baseline	End line
1 Talk	20%	37%
2 Do homework together	37%	28%
3 Farm together	17%	20%
4 Teach them something	13%	18%
5 Play a game	20%	15%
6 Tell stories	10%	7%
7 Cook together/do housework together	41%	47%

# NMB Outcomes



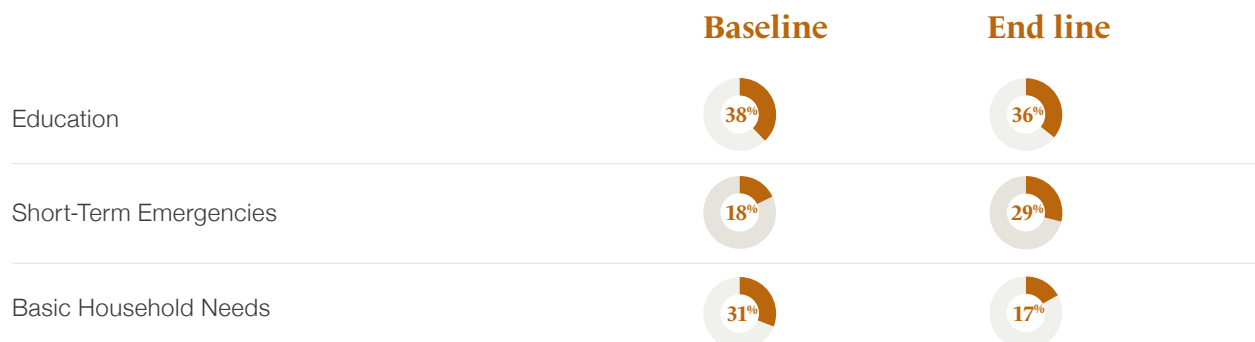
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**Parents in households that attended financial capability training had a significant increase on the use of a bank as a savings channel.**



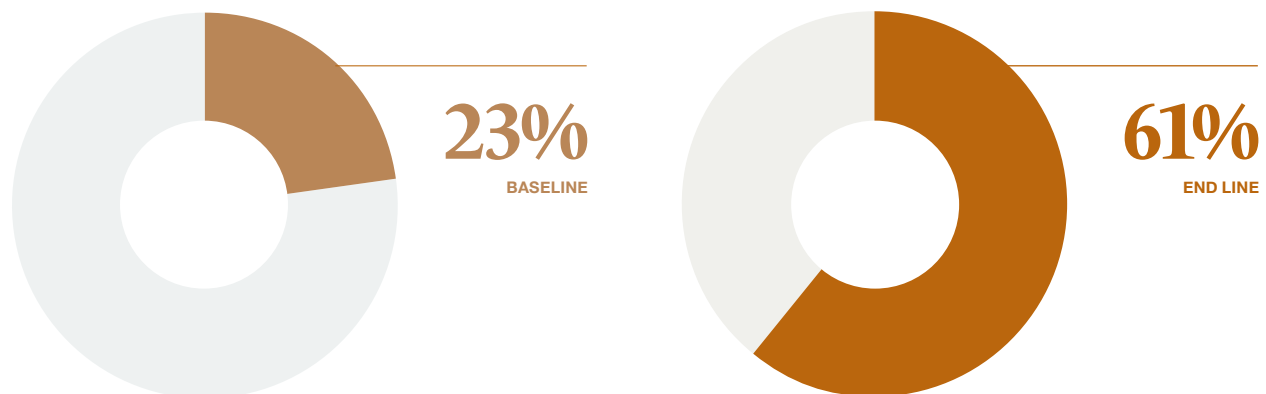
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**At baseline, parents were saving to meet day-to-day household needs; at end line, that had shifted to saving for short-term emergencies.**



# NMB Outcomes

For those youth who attended the training, there was a significant increase in the proportion of those who were saving. There was also an increase on the share of money saved by the youth.



The proportion saving in a bank also increased for those who attended training; though it was not significantly different from the control group. The proportion of youths who claimed to have visited a bank for information from bank officials also increased significantly.

## How are you saving?

	Baseline	End line
Savings at a bank	23%	14%
Money stored on your mobile phone which you intend to keep	6%	11%
Savings you keep at home	67%	7%
Savings with a savings or savings and credit group	2%	5%
Livestock	3%	71%

# NMB Outcomes

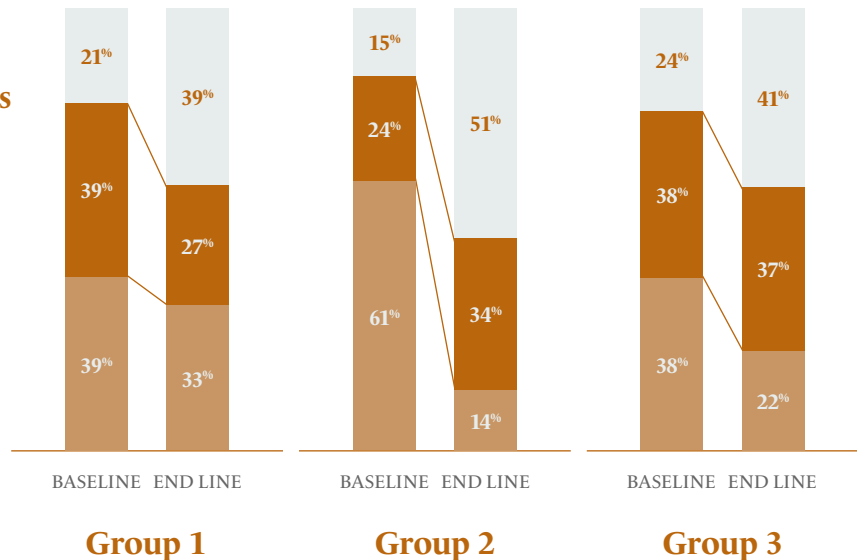
On knowledge, awareness and practices, youth showed higher likelihood of seeking financial information and being influenced by peers and friends. Though most youths were identified as “You Only Live Once - YOLO” at the baseline, they changed to exhibit behaviors of people who are “conscious about money and saving”.

**Behavioral segmentation revealed that all youth are more likely to be conscious about money and saving**

■ Conscious about Money and Saving

■ School Loving

■ You Only Live Once (YOLO)



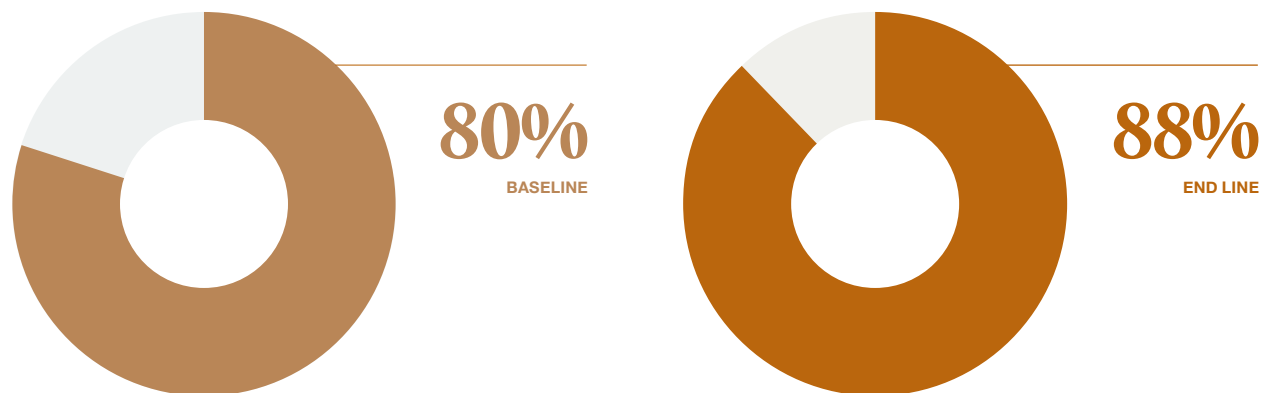
# NMB Outcomes

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Youths see parents as a source of information on financial capability, and some see the role of savings as part of parental responsibilities. After the training, some youth started educating their parents on the importance of saving in financial institutions.

**Does your parent support (financially and morally) you in your saving?**

% SAYING "YES"

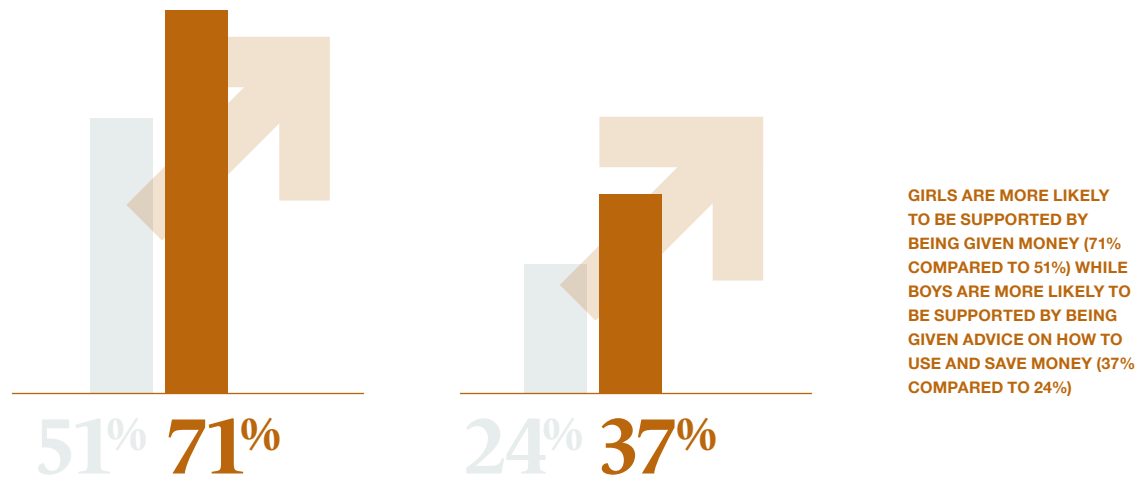


While half of the sample said they receive support from both parents, 41% said mothers are more likely to give the support.



# NMB Outcomes

## Differences between boys and girls



“My children motivated me because when they attended seminars in school, they were encouraged to talk to us about saving and they did, and when I got the money that was the first thing I did.”

DESIGNING PRODUCTS

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Enterprise Growth:

# MSME CREDIT

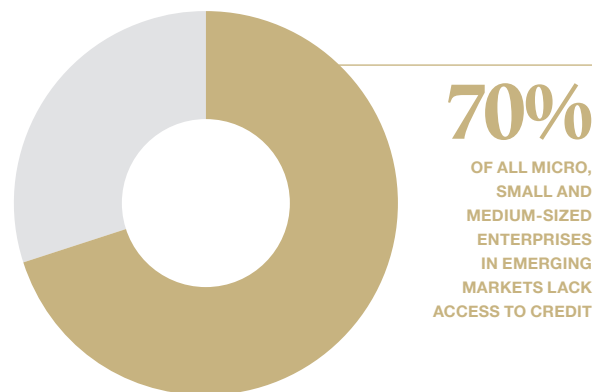


**Small to medium-sized enterprises (SMEs) contribute significantly to the growth of a country's economy** and are

a key contributor to the private sector. According to the World Bank, formal SMEs contribute up to 60% of total employment and up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included. Despite this, approximately 70% of all micro, small and medium-sized enterprises in emerging markets lack access to credit.<sup>9</sup> SMEs continue to experience higher obstacles to accessing credit from financial institutions,<sup>10</sup> often because these institutions lack the capacity to serve the SME segment effectively.

“They should introduce an easier way to source funds for your business. Of course we would be interested if all these barriers were settled.”

– Woman MSME



<sup>9</sup> The World Bank, [SME Finance](#)

<sup>10</sup> Peris N Mburu, [Women's World Banking blog post](#), June 19, 2017

# The Project

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## **Women's World Banking partnered with NBS Bank in Malawi and Diamond Bank**

in Nigeria to design and implement MSME credit programs specifically focused on women-owned businesses. The comprehensive research, design, and testing process has proven that SMEs are not riskier than other client segments if businesses and risk are well analyzed and understood; however, a new approach to evaluating credit requires both institutional commitment and change management to execute successfully.

At the core of a successful MSME credit offering is a cash-flow lending approach.

Introducing a cash-flow lending approach at Diamond Bank was not easy. An initial pilot had challenges related to institutional buy-in and the Bank's risk management appetite. However, by working closely with Diamond Bank's leadership, a successful pilot re-launched in 2018, exceeding its 2018 targets by July of 2018. The MSME proposition required adoption of a Lending Officer model and to build internal capacity via a strong foundation of trainers and coaches.



Implementing a new approach to evaluating credit requires both institutional commitment and change management to execute successfully.

# Lessons Learned

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## **A cash-flow lending approach is more effective than a collateral-based approach to reach low-income women business owners.**

A focus group participant at NBS Bank explained why loans have a negative perception and are seen as inaccessible because of difficult loan terms and unattainable collateral requirements: "Banks are really hard. They have a lot of regulations. They need collateral like a house but you don't have a house. They want a lot!" Analyzing the MSME's cash flow allows the institution to have a reliable basis for decision-making, in that it considers the health of the business, while circumventing the constant challenge of women lacking collateral given legal or cultural norms.

## **Ensure portfolio quality.**

Solid training and coaching of Loan Officers and close monitoring of loans disbursed through performance reports are essential to maintain portfolio quality.

## **Engage Risk Management department early.**

A new credit methodology can create conflict with an institution's risk management strategy. It is essential to bring all departments together to create an approach to balance risk with reaching new client segments.

### **MSME IN THE BLOG:**

[Building an SME Credit Program:](#)

[What are the Must Haves?](#)

[Investing in Clients of Tomorrow:](#)

[Serving the SME Segment Effectively](#)



DESIGNING PRODUCTS

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# KWIK LOAN AT DIAMOND BANK



# The Project

**For customers who perhaps are not ready for MSME credit** but require access to short-term loans, Women's World Banking and Diamond Bank, in partnership with Letshego MFB and AppZone developed KWIK Loan<sup>11</sup>. Premised on the idea that clients' savings behavior is a predictor of their ability to manage credit, KWIK Loan is a small, 30-day pre-approved loan available to qualified BETA Savings clients and can be accessed almost immediately.

Clients must have been BETA Savings clients for at least six months. Their accounts must show activity within the last three months and maintain a positive balance with a minimum of 500 NGN (\$2.50 US). The maximum loan amount is double the savings balance (up to 50,000 NGN or \$251 US), and once repaid, the loans are renewable. Loan offers and acceptances will occur through cellphone and the loan disbursement will be transacted through the client's BETA account.

WHAT IS IT?	Short-term credit for personal needs, through your phone and repaid through BETA account
APPLICATION	Pre-approval via SMS, fast and easy application with support from your BETA Friend
LOAN AMOUNT	₦15,000 – ₦50,000
TERM AMOUNT	30 Days
USE	Any Purpose
INTEREST	10%
COLLATERAL	BETA Savings is the collateral and secures 25% of the loan amount

The bank's BETA Friends play a key role, receiving the payments of the loan installment as well as educating clients about the importance of on-time loan payments.

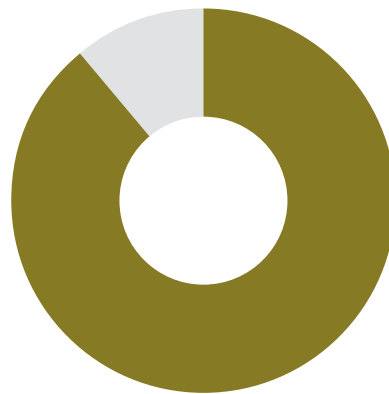
<sup>11</sup> [Women's World Banking Blog](#).

Through the pilot program that ran from April 2018 – September 2018, 1584 Kwik Loans were disbursed to BETA clients compared to a target of 1500.



**9.4%**

JUST 9.4% OF THE  
9400 ELIGIBLE  
CUSTOMERS  
TOOK A LOAN



**89%**

OF LOANS  
DISBURSED WERE  
FOR LARGER  
AMOUNTS  
(GREATER THAN N  
40,000) AND USED  
FOR BUSINESS  
PURPOSES



**45%**

OF KWIKLOAN  
CUSTOMERS  
WERE WOMEN  
COMPARED TO AN  
ANTICIPATED 39%



**7.8%**

PORTFOLIO AT  
RISK (PAR>30) WAS  
SIGNIFICANTLY  
HIGHER (23.8%)  
COMPARED  
TO A TARGET OF  
LESS THAN 5%



**NO SIGNIFICANT  
DIFFERENCE**

BETWEEN MEN  
AND WOMEN IN  
THE NUMBER OF  
LOANS OR USAGE  
OF THE LOAN

# Lessons Learned

Lessons learned from the pilot evaluation include:

## **Digital credit offerings generally require partnerships.**

Ensure roles and responsibilities are outlined from the onset.

## **Be clear about the terms of the product.**

In order to ensure clients understand the scope of the product, sales people should have a list of terms that must be explained to clients.

## **Access to data is critical to enable digital scoring models that make credit accessible to women and reduce risks to banks.**

Alternative data such as savings behavior can be predictors of a client's credit-worthiness. Exploring use of existing data about clients can enable a financial institution to expand its ability to serve small business owners.

## **Speed is king (or queen).**

Women micro-entrepreneurs often need money quickly to take advantage of a business opportunity or bridge a financial gap. To implement a more rapid turnaround, KWIK Loan meets this need and Diamond Bank is exploring additional features to its credit product such as pre-approval for qualifying clients based on cash flow analysis.

## **The role of predictive modeling.**

Ongoing testing to perfect machine learning should be put in place.

## **Navigate regulatory complexities.**

A unique challenge to the launch of KwikLoan was that regulatory approval was needed for any partnership Diamond Bank pursued to provide BETA clients with digital credit. Due to a long approval process, the launch of KwikLoan was significantly delayed. Understanding what is needed for regulatory approval and working closely with the regulatory bodies will ensure a smoother launch process.

### **KWIKLOAN IN THE BLOG:**

[How Low-Income Nigerian Women with no Credit History are Getting a Loan](#)

DEVELOPING INSTITUTIONS

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# LEADERSHIP TRAINING



# The Project

**To successfully serve low-income women, financial institutions need leaders that can articulate institutional vision, drive organizational change, and get buy-in at all levels of the organization.**

There is however, few, if any management or leadership training for senior leaders designed to equip them with the skills and knowledge to drive service to low-income women within their institutions. And even if leaders go through a training, it is not tailored to their needs or is a single session with no follow-up.<sup>12</sup>

Data from Women's World Banking's network shows that gender diversity within institutions allows them to better serve women. Women's World Banking has

been working with institutions on increasing their gender diversity since 2008, both in response to a declining number of women at senior levels in the industry and in recognition of the strong business case for diverse executive leadership.<sup>13</sup>

Over the past 10 years, Women's World Banking has delivered global, regional and custom in-house leadership training programs for C-suite executives, high-potential women leaders, and middle managers for a variety of women-focused financial institutions globally. Support from FSDA enabled Women's World Banking to deliver in-house programs at the three partner institutions under this project.

There is few, if any leadership training for senior leaders designed to equip them with the skills and knowledge to drive service to low-income women within their institutions.

<sup>12</sup> Peris N Mburu, [Women's World Banking blog post](#), July 24, 2017

<sup>13</sup> [Women's World Banking website](#)

# Programs delivered

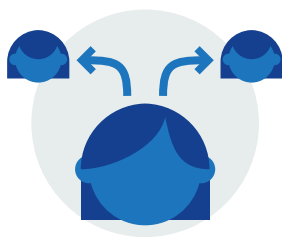
## **Women's World Banking delivered a three-day Senior Management Program (SMP)**

to 10 representatives of the NBS Bank executive team in Malawi to maximize their performance and impact in driving an outreach strategy focused on women. The course addressed two core success factors of any organization: building an effective and cohesive team and enhancing critical management and leadership skills required to sustain institutional performance.

Women's World Banking customized the course for NBS Bank to:



Enhance teamwork and effective decision-making practices across senior management



Better understand how their personal values and motivations influence their leadership style and perspectives.



Strengthen their core capabilities: influence, communication, motivation, building accountability, and improving team performance.

Additionally, Women's World Banking delivered a four-day Management Development Program (MDP) to 27 NBS Bank middle managers focused on people management, skills that are essential in helping drive the change management necessary to implement the new products Women's World Banking was working with the bank to develop.

# NBS Bank

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The program first focused on the participants' understanding of themselves and how they interact with others, then introduced tools to build their management skills. Participants immediately tested their understanding of concepts and tried new skills through simulations of typical team and people management issues. The second part of the program focused on a one-day Training of Trainers (TOT) component for a carefully selected group of 10 participants to enable NBS to scale the training with other managers. Through the MDP, NBS Bank staff were able to:

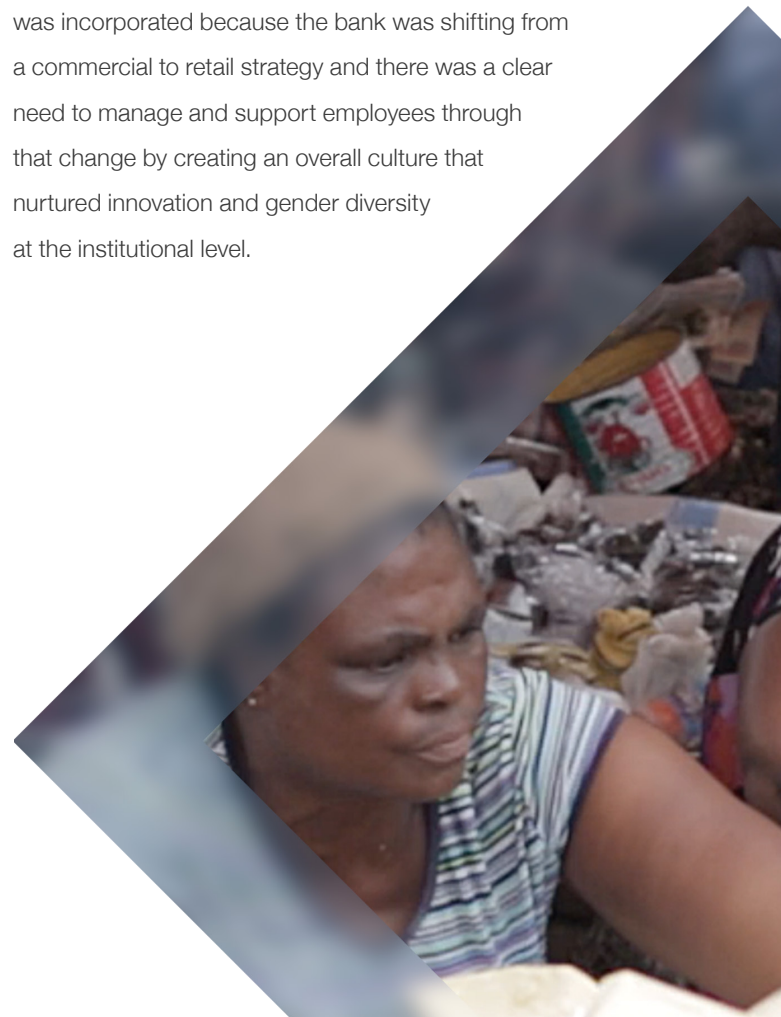
- Understand how personal values and motivations influence managerial perspectives.
- Hold themselves and others accountable for results.
- Effectively influence others and outcomes through better communications styles.
- Understand the key principles for managing people, processes and resources.
- Practice skills in holding critical conversations for managing performance and staff development.
- Build an actionable self-development plan.

# Diamond Bank

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Executives and middle managers at Diamond Bank in Nigeria received a number of Women's World Banking leadership and diversity programs to develop internal leadership capacity: a Management Development Program (MDP ToT), a Senior Management Program for the CEO and his direct reports, and a highly customized Leadership Exchange.

Importantly, the trainings were framed as necessary pillars to achieving business objectives related to advancing women's financial inclusion in Nigeria. Women's World Banking then customized the content to address the leadership needs that arose out of these objectives. For example, change management content was incorporated because the bank was shifting from a commercial to retail strategy and there was a clear need to manage and support employees through that change by creating an overall culture that nurtured innovation and gender diversity at the institutional level.






At NMB, three programs were delivered between 2016 and 2017: a Management Development Program with a Training of Trainers component, and two in-house Women in Leadership programs. The Management Program built the capacity of middle management. The Women in Leadership Program dramatically enhanced NMB's commitment to building the pipeline of women leaders, a critical objective of the CEO.

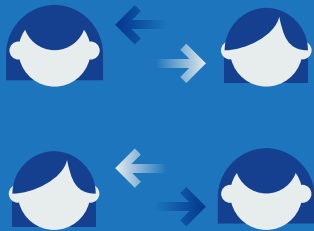
Follow-up and sustaining momentum was just as important as the training activities themselves. Six months after the program, a follow-up call among WIL participants from NMB reinforced accountability, checked in on progress toward action plans, and identified potential obstacles that hinder career development opportunities.

During the call, the participants — all of whom were women — shared that they have taken significant steps toward implementing the leadership vision they developed as part of the training program. In addition, participants said that attending the program had made them more effective managers, more comfortable making decisions, and better contributors to the bank.



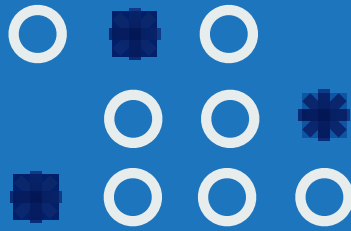
Participants said that attending the program had made them more effective managers, more comfortable making decisions, and better contributors to the bank.

# Lessons Learned



## Executive leadership and HR collaboration is key.

Leadership development and diversity efforts are often categorized as purely a human resources function. This limited view impedes the effectiveness of such programs. Women's World Banking's experience has shown that leadership and diversity training and development programs are more successful when implemented across teams and cross-functionally, especially if driven by the head of human resources and executive management. In the case of Diamond, Women's World Banking had the CEO's full support and active involvement.



## Quality control when building internal capacity to scale training is paramount.

Designing Train the Trainers programs need ongoing check-ins to ensure trainers are effectively communicating material to staff.



## Multiple programs at one institution can create alignment that can drive change.

Oxford Policy Management (OPM) conducted an evaluation of Women's World Banking's work with Diamond Bank. In its evaluation of the leadership programs, OPM found that they had created a culture of innovation along with increases in productivity and efficiency.

### LEADERSHIP TRAINING IN THE BLOG:

[Reflecting on a Leadership Program:  
Lessons from NBS](#)

[Have you Found your Igikai?](#)

DEVELOPING INSTITUTIONS

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# INSTITUTIONAL CHANGE MANAGEMENT



**To reach more women and youth clients with products, institutional change must take place across the organization, and not just at the senior management level.**

Diamond Bank created a financial inclusion department as part of the partnership with Women's World Banking. The department became the accountability center of all the work developed with Women's World Banking, channeling and driving the various institutional changes required to implement new products and services across the institution.

NBS Bank's change management practices highlight how change can be implemented in the face of competing priorities and challenging macroeconomic

conditions. NBS' small and medium enterprise (SME) credit program easily could have slipped to a lower-level priority, but NBS integrated SME credit into the bank's operations to ensure long-run sustainability.

NMB's leadership team recognized the importance of designing leadership training for its staff to drive its financial inclusion initiatives.

The role of committed leaders and dedication to the change management required to effectively serve the low-income segment cannot be under-estimated. Designing an effective product is not enough to drive efforts to serve women; the institution and its people need to be committed to building a strong brand for all its customers.

**CHANGE MANAGEMENT IN THE BLOG:**

[Lessons in Change Management from KCB and Diamond Bank](#)

[Becoming Nigeria's Bank for Everyone, Starting with Women](#)

**MORE FROM OUR BLOG:**

[Nigeria's Missed Financial Inclusion Targets](#)

[Digitizing for an Inclusive Value Chain](#)

[Broadening Horizons in Africa: Introducing the Africa Advisory Council](#)

# CONCLUSION



# Conclusion

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**Real, meaningful financial inclusion isn't simply a matter of getting access to and opening a bank account; it's about how financial services can be used in day-to-day life to meet financial goals and build toward the future.**

Women's World Banking work with FSDA over the past five years has demonstrated that when savings and credit services are designed with clients' needs and goals in mind, when bank staff are trained to be more effective leaders, opportunities for millions of women and young people can be unlocked.

Women's World Banking is proud of its partnership with FSDA, which has reached the un- and underbanked through Diamond Bank, NBS Bank, and NMB.

Much still needs to be done — millions remain unbanked in Africa and many have access to financial services but they fail to meet their needs. Financial institutions can do more to understand and serve their low-income clients. But there is evidence and knowledge that can be leveraged and built on to reach these women. Women's World Banking's progress to date would not have been possible without the support of FSDA.





Women's World Banking



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