MicroLead Webinar #6
Partners Sharing Experiences

Building a Foundation for Growth: Practical Tools for Managing Agents
Using the webinar tool
webinar 6

Mute or Unmute

Open/close control

urers (VoIP) or call in using your telephone.
webinar 6

Raise your hand
Ask a question
Webinar Participants

Jennifer McDonald
Manager, Savings and Alternative Channels
Women’s World Banking

Mercus Chigoga
Head of Personal and Business Banking
NBS Bank, Malawi

Veena Krishnamoorthy
Resident Advisor in Malawi
Women’s World Banking
Where are you on this map?
Place yourself on the map with a dot or a circle
Introduction to NBS Bank and “Pafupi”

Jennifer McDonald
Manager, Savings and Alternative Channels
Women’s World Banking
Agenda

- Introduction to NBS Bank & “Pafupi”
- Tools for Managing Agents
- NBS Bank’s Experiences
- Questions & Answers
Women’s World Banking’s Global Footprint

35+ years focused on women’s access to finance
21 million active clients
68% women

38 institutions
$8.5 billion in outstanding loan portfolio
$5.5 billion in deposits

MIDDLE EAST & NORTH AFRICA
Countries: 5
Institutions: 5

LATIN AMERICA AND THE CARRIBEAN
Countries: 7
Institutions: 10

EUROPE
Countries: 1
Institutions: 1

ASIA
Countries: 6
Institutions: 12

SUB-SAHARAN AFRICA
Countries: 9
Institutions: 10
NBS Bank, Malawi

MALAWI
- Adult population 7.6m – 86% rural
- Financially excluded are rural areas, especially women

NBS BANK
- Founded as a building society in 1964, became a bank in 2004.
  - 401,946 Customers – 30% Women*
  - USD 137m total assets*
  - 32 Service Centers; 73 Active ATMs; 63 Agents

PROJECT DESCRIPTION
- Increase access to savings with a focus on women and rural areas
- Targets doubling NBS Bank’s customer base during 4 year project
- Collaboration with Women’s World Banking on Pafupi Savings and Agent Network

*Figures as of 2023
Pafupi (meaning “close by”) removes barriers to banking in rural areas, especially for women

**PAFUPI ACCOUNT**

**Mobile Sales Team**

Account opened in ten minutes, from anywhere.

Sales team captures client info through mobile app.

Client data transmitted instantly and account is activated.

Client receives starter pack with account number, debit card and PIN.

Simplified ID requirements, with limits on account turnover.

**Starter Pack**

**BANK PAFUPI AGENTS**

**Agents**

Agent offers deposits & withdrawals.

Mobile-only in rural areas, mobile + POS where connectivity available.

**ATM**

**Branch**

Women’s World Banking
Tools for Managing Agents

Veena Krishnamoorthy
Resident Advisor, Malawi
Women’s World Banking
Building capacity to grow its agent network, NBS Bank focused on three key pillars:

- Agent Value Proposition
- Agent Selection
- Monitoring Agents
To attract the best agents, offer a “win-win-win” for customer, agent and bank

Agent Value Proposition

Challenges:

- Few potential agents met the bank’s tight requirements
- Agent network managers did not understand the benefits to agents
- Agents were dissatisfied by the value proposition
Agent value proposition includes financial returns and non-financial benefits

**FINANCIAL RETURNS**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Number of txn per day</th>
<th>Number of days</th>
<th>Commission earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWK 50,000</td>
<td>20</td>
<td>22</td>
<td>MWK 16,500</td>
</tr>
<tr>
<td>MWK 50,000</td>
<td>20</td>
<td>22</td>
<td>MWK 16,500</td>
</tr>
<tr>
<td>MWK 50,000</td>
<td>20</td>
<td>22</td>
<td>MWK 16,500</td>
</tr>
<tr>
<td>MWK 50,000</td>
<td>20</td>
<td>22</td>
<td>MWK 16,500</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td></td>
<td><strong>MWK 66,000</strong></td>
</tr>
</tbody>
</table>

**Return on investment for four months**

<table>
<thead>
<tr>
<th>Profit</th>
<th>Investment</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>MWK 16,000</td>
<td>MWK 50,000</td>
<td>32%</td>
</tr>
</tbody>
</table>

Investment required too high; reduced from 200,000MWK to 50,000 (rural) / 75,000 (urban)

**NON-FINANCIAL BENEFITS**

Staff trained to communicate benefits such as *association with bank brand, differentiation*, increased *visibility* and *foot traffic*. 

Women’s World Banking
Standardize the selection process for consistent quality

Agent Selection

Challenges:

• Use of corporate partners without clear communication of value proposition (to management)
• Lack of uniform approach to selecting agents
• Agent network managers not assigned to territories, with result of overlap in same market areas
Workflow is key to recruit better agents with streamlined processes

- Score card was introduced to the recruitment workflow
- Outcome is a bigger pool of prospects to select from
Quiz - Which would make a better agent?
Scorecard at scoping stage makes it easy for field staff to rank prospective agents

<table>
<thead>
<tr>
<th>Name of agent</th>
<th>Parameters</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chisipu fashions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location of shop</td>
<td>Any other location</td>
<td>Close to bank branch</td>
<td>Near 4 or 5 Highway/ main road</td>
<td>Trading area/ market place</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Type of business</td>
<td>Any other store</td>
<td>Boutiques or similar high value</td>
<td>Second hand clothes store, plastic sales shops</td>
<td>Pharmacy, cell phone sales</td>
<td>Grocery store, Super markets, stationery store or any similar store</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Interior of the shop and Stock</td>
<td>Interior is poorly maintained with poor stock</td>
<td>Interior is poorly maintained, but average stock</td>
<td>Average stock</td>
<td>Interior well maintained, but poor stock</td>
<td>Interior well maintained and well stocked</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Cash value of each transaction</td>
<td>&lt;MWK 100 or &gt;MWK 1000</td>
<td>MWK100- MWK 200</td>
<td>at least MWK200</td>
<td>MWK 200- MWK 500</td>
<td>MWK 500-MWK 800</td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Total 17

Visited by Veena
Time of visit 10:30
Date 30th January
Location Limbe Market
Effective monitoring of agents is key for customer service

Monitoring Agents

Challenges:

- Poor understanding of liquidity management among agents and staff – transactions refused due to lack of cash or float
- Connectivity challenges frustrate customers and agents
- Change of staff at agent location without ongoing training
- Reputation risk to NBS Bank due to poor customer service
Monitoring relies both on on-site visits and off-site tools

- **On-Site**
  - Weekly Field Visits

- **Off-Site**
  - Daily Transaction Reports
  - Liquidity / Float Balance Reports
Sample daily transaction report for monitoring agents

<table>
<thead>
<tr>
<th>Agent Account</th>
<th>Agent Name</th>
<th>Deposit Amount</th>
<th>Withdrawal Amount</th>
<th>Dep txn</th>
<th>Wdl Txn</th>
</tr>
</thead>
<tbody>
<tr>
<td>00XXXXX0017</td>
<td>Big Tafa</td>
<td>0.00</td>
<td>60,225.00</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>00XXXXX0015</td>
<td>Chipoka</td>
<td>0.00</td>
<td>17,000.00</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>00XXXXX0005</td>
<td>Dauda</td>
<td>1,000.00</td>
<td>30,000.00</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>00XXXXX0020</td>
<td>E-Kwacha</td>
<td>37.50</td>
<td>37.50</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>00XXXXX0011</td>
<td>E-Kwacha Chilomoni</td>
<td>7,000.00</td>
<td>3,000.00</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Results to Date – Bank Pafupi agent network

RESULTS 2014
- Increase from 15 to 63 Bank Pafupi agents
- Hub-and-spoke model in 7 branches
- Increase from 1.3 to 9 transactions per day
- Launch of anchor product Pafupi Savings
- Staff trained for national roll-out

NEXT STEPS
- Market activation - January 2015
- National roll-out of Bank Pafupi
NBS Bank’s Experience

Mercus Chigoga
Head, Personal and Business Banking
NBS Bank, Malawi
NBS Bank’s Experience

EXPOSURE VISIT TO KENYA

• Agency banking works and is scalable
• Importance of a reliable technology platform for agency banking
• Importance of strategic partnership for expansion
• Use of mobile solutions for transactions at agent outlets
• Good value proposition for Bank Pafupi agents
• Marketing of channel to attract and instill trust in customers on the channel
Q&A
About our upcoming event

1. Remember to register online and tell us your arrival and departure time

2. Reading list has been sent around

3. Official letters will be sent out to those who need it

4. Questions on logistics to karima.Wardak@uncdf.org

5. Go to Dgroups
Please take 5 min to update your profile. Thank You 😊
THANK YOU

@UNCDF  @womensworldbnkg  # MicroLead

Women’s World Banking

NBS Bank