Breakout Session 1: Development and Management of Agent Networks

NBS Malawi

March 1st, Accra - Ghana 2016
Technological Solutions for Improved Services: Developing and Managing Agent Networks
Introduction to NBS Bank Pafupi: What is it?

- NBS Bank chose the word “Pafupi”, which means “close to you,” because our objective is to be closer to the customer, offering greater accessibility and convenience to our clients.

- **Bank Pafupi aims to:**
  - Reach more people, rural and urban “Financial inclusion”.
  - Increase its number of customer
  - Increase customer satisfaction (More touch points)
  - Enhance NBS Bank’s brand as the “Caring Bank” by taking the bank to the people.

- “Bank Pafupi” is NBS Bank’s agent banking network, which delivers services to clients through shops, using technology to offer secure, real-time transactions:
  - Eazy Mobile (simple mobile phone led transactions)
  - Point Of Sale (POS) devices (card based transactions)
What does Bank Pafupi offer?

Bank Pafupi offers a full range of services to meet NBS customers’ needs nationwide:

Clients can make:
- Deposits
- Withdrawals

Clients can obtain:
- Mini-statements
- Balance inquiries

Non-NBS customers can make deposits into NBS bank accounts
How it works?-Technological solutions used

- The Bank Pafupi agents are provided with either a POS or mobile phone or both

- Both devices are connected to the core banking system for real time transactions

- They open and fund a float account for managing deposits “cash in”

- The POS is for the card based transactions while the phone is for the mobile phone based transactions (Eazy Mobile)

- For a deposit, the system debits the agent’s float account with the amount and credit the client’s account

- For a withdrawal, the system credits the agent’s float account with the amount and debits the client’s account
Advantages:

• **Proximity and Convenience:**
  - The clients can deposit and withdraw money in shops near where they live
  - The client is used to purchasing items at agent's shop
  - Reduces transportation costs and time for clients
  - Increased footprint for the bank

• **Security:**
  - Bank Pafupi transactions are backed by technology
  - Clients obtain receipts per transaction (system generated/ SMS)
  - Real-time transactions

• **Simple to Use:**
  - Agent on hand to answer questions and assist with Bank Pafupi transactions
  - No forms or signature needed: Bank Pafupi transactions are completed using a PIN/Password
  - The arrangement has demystified the bank to the local person thereby enhancing financial inclusion
## Successes and Challenges

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<th>Successes</th>
<th>Challenges</th>
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<td>Enhanced availability and visibility across the country</td>
<td>Low literacy levels negatively affecting market uptake in some areas</td>
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<td>More organizations coming up to use Bank Pafupi a payment or cash collection point</td>
<td>There need to invest more in financial education to bring the much needed confidence to the masses</td>
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<td>Marketing campaigns significantly raising the awareness levels about the offer</td>
<td>Connectivity challenges affecting transactions</td>
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<td>The offer is a package of product and channel that tackles the economic realities of the target market.</td>
<td>Requires significant level of investment although the return is long term.</td>
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<td>The offer has reached out to the remotes areas where ordinarily it would not have been feasible to have a formal banking service</td>
<td>Liquidity challenges on the part of the agents. Agents focusing more on their core business and investing little in agency banking</td>
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Agents recruitment and management

- NBS bank has a dedicated team under Alternate Delivery Channels

- The team is responsible for recruitment and monitoring of Bank Pafupi Agents

- NBS currently has a network of 220 agents expecting to close 2016 at 400 healthy agents cumulative

- Gradually shifting to a hub and spoke agency banking model where Service Centers will start managing the agents.
Bank Pafupi Promotion

- NBS Bank provides branding materials to the Bank Pafupi agents
- Very key are the Road and Wall signage for visibility of the agents
- NBS has also embarked on a more aggressive marketing activities.
- Focus is on both BTL and ATL to raise awareness and induce demand
THANK YOU