

Session 3 Panel Discussion: The Business Case for Small Savers

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Accra, Ghana

About Women's World Banking



Global Non-profit



Over 35 years of experience



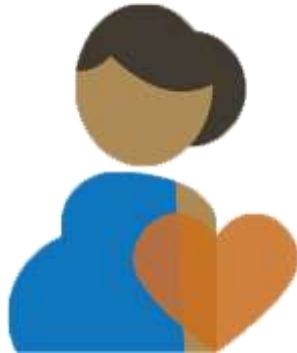
Diverse Partners

Evolution of Financial Needs



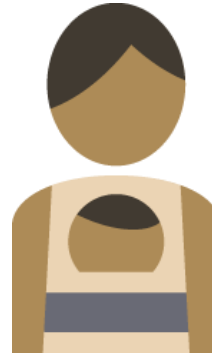
Youth

Savings
Credit



Young
Adult

Savings
Credit
Insurance



Adulthood

Savings
Credit
Insurance



Late
Adulthood

Savings
Insurance

Why small savings?

Pafupi Savings model

Instant Account Opening

Mobile Sales Team



Starter Pack



Simplified Customer Identification



Multi-channel Access

Bank Pafupi Agent



ATM



Branch





Key Drivers for Pafupi Savings Business Case

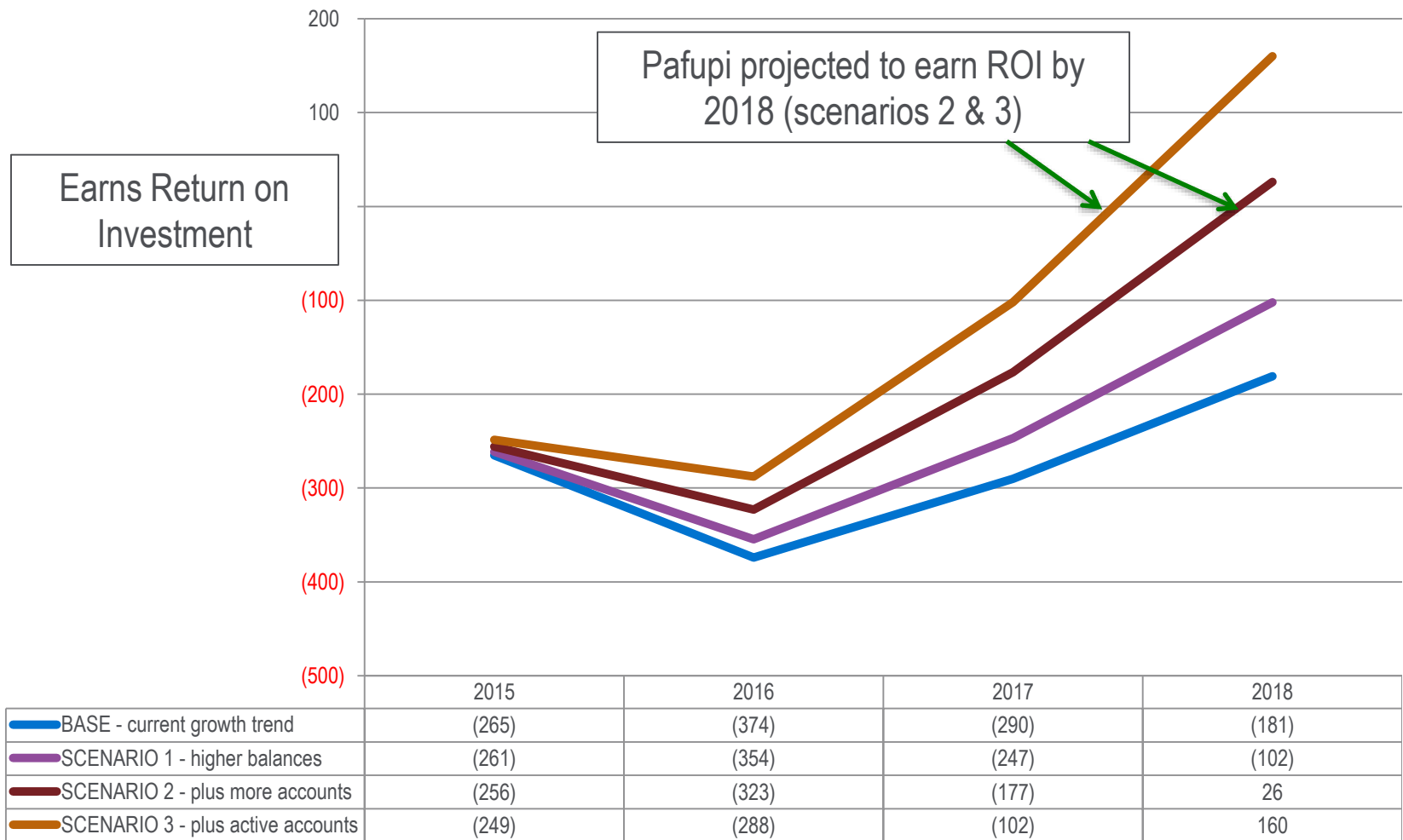
Capture More Deposits

Open More Accounts

Increase Active Accounts

Control Investment Cost

Cumulative Net Profit (MWK Millions)





Pafupi Savings Results to Date



● PILOT LAUNCH- OCTOBER 2014

● ROLLOUT BEGAN JULY 2015

RESULTS

- Pafupi accounts: 43,406
- Total deposits MWK 250,478,308 (USD 336,000)
- Average balance: MWK 5,996 (USD 8)
- Percentage women 31%
- 32 branches and 223 Bank Pafupi agents
- Sales team of 81





MICROLEAD EXPANSION IN MYANMAR

Savings & Credit Cooperative Promotion & MF Innovation Project



Building Sustainable Savings and Credit Cooperatives in Myanmar

The Business Case for Small Savers



First time to saver 10,300 Rural Poor 2014- 2015



MICROLEAD EXPANSION IN MYANMAR

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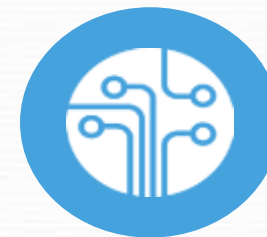
Trade
Association



Development
Agency



Foundation

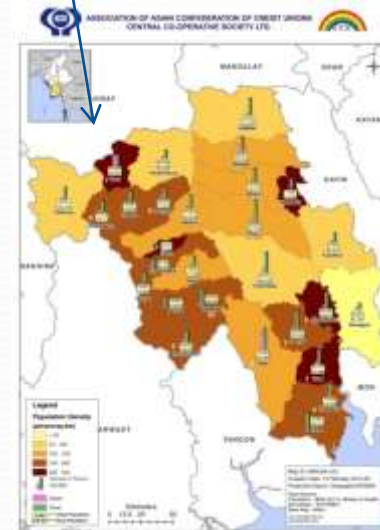
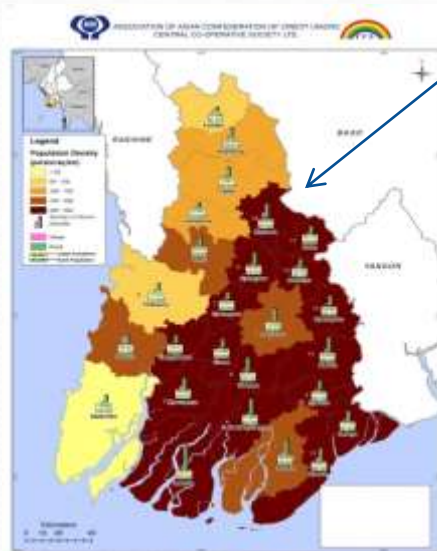


Digital Financial
Services Group

for CREDIT UNIONS

Our mission is to improve lives of people through credit unions.

Our vision is integrated and sustainable credit union networks in Asia.



Basic Programs



**Motivation & Education of
Financial literacy**



**Set Financial Goals:
Shares & Savings**



**Creating Wealth
through savings and
Loans enterprises)**



**Non-Financial
Services: Welfare**

164 years ago in 1852 credit union was established to fight poverty.

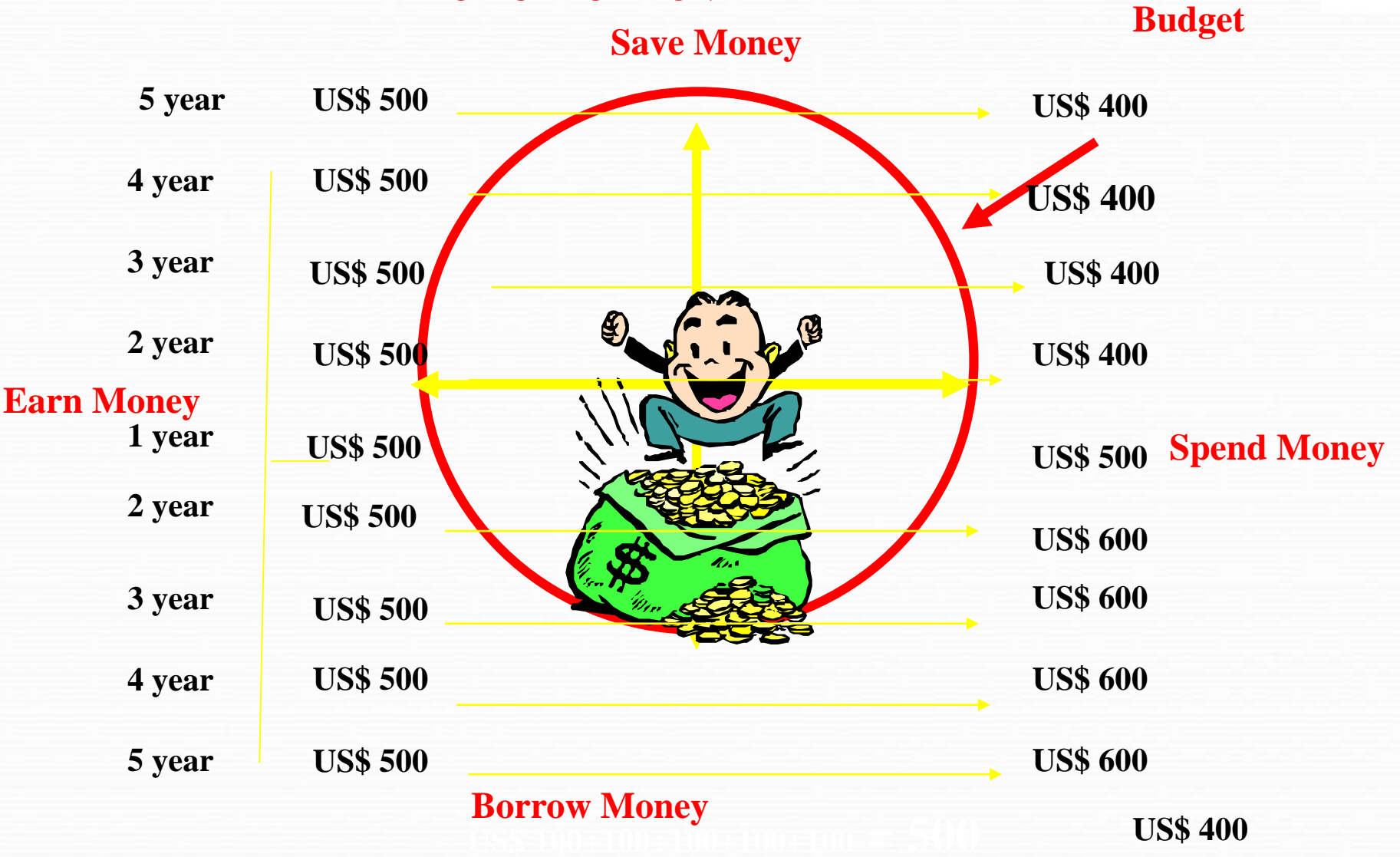


**Hermann Schulze-Delitzsch and F.
W. Raiffeisen in Germany**

“Credit Unions must not confine themselves to granting loans. Their main objective should be to control the use of money, to improve the moral and physical values of people, and their will to act by themselves.”

- F.W. Raiffeisen

THE CIRCLE OF MONEY





Making Small Financial Institutions Sustainable for small savers

WOCCU RWANDA
By Remy IYIKIRENGA

March 1st, 2016
Accra, Ghana

WOCCU



Umurenge SACCO program

- FinScope Survey - Rwanda's population excluded from formal financial system has dropped from 52% to 28% between 2008 and 2012 mainly due to the Umurenge SACCO program
- Umurenge SACCO program has 416 SACCOS and 195 POS
- IPA: "80 percent of SACCO clients live in rural areas, and data suggests that the SACCOS enable clients to access formal financial services for the first time"
- WOCCU works with 90 UMURENGE SACCOS, providing T.A. and automation services



Despite successes, small SACCOs face challenges in serving small savers

- SACCO Rubavu:
 - Too liquid,
 - Loan portfolio growth is slow
 - Members deposits invested in banks,
 - Women, youth & SGs % of Deposits and Loans too low
- An efficient well run SACCO will benefit entire community



Steps taken to reach financial sustainability with small savers

Enabling growth
through social value of
financial services



Improves financial
structure of SFIs

Remodeling on
best standards:

- Marketing plan (SWOT), analysis savings, survey (member satisfaction)
- Diagnostics, PEARLS & social value
- Business plan & Entrepreneurial rate (competitive)



1. P= PROTECTION -A Safe Place to Save your Money!
2. E = EFFECTIVE FINANCIAL STRUCTURE
 - Community Savings from rich or poor
 - Community Loans to Members who meet standards
3. A = ASSET QUALITY
 - Monitor Delinquent Members
 - - Affordable Buildings & other fixed assets
4. R = RATES OF RETURN AND COSTS
 - Real rates of Return on Savings
 - Competitive Salaries for Employees
 - Loan Rates that recover all costs, not maximize profits
5. L = LIQUIDITY
 - Enable Members to deposit and withdraw when they need it.
 - Minimize excess cash
6. S = Signs of Growth
 - Encourage anyone to join and save




Business Plan: 8 Key Questions

- 1. What is the “Entrepreneurial Rate” that we are going to charge on our loan portfolio?** (social value, competitive, cover all costs)
- 2. Linkages of PEARLS indicators:**
Yield - Growth – Structure



WOCU



Thank you very much
Murakoze



Women's World Banking