



# Sinapi Aba's Conversion

## From MFI to Savings and Loans

A Story of Change and Continuity

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Sinapi Aba Savings and Loans

**Authors and Researchers:****Sinapi Aba Savings and Loans**

- Kwaku Acheampong, Corporate Planning Manager

**Opportunity International**

- Dana Lunberry, Senior Program Manager

- Mary Pat McVay, Research and Knowledge Manager

- Abbie Condie, Research Assistant

**Review Committee:****UNCDF**

- Pamela Eser

- Hermann Messan

- Ivana Damjanov

**MasterCard Foundation**

- Prabhat Labh

- Ruth Dueck-Mbeba

- Amos Otero

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### Acronyms

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|                |   |
|----------------|---|
| <b>BoG</b>     | Bank of Ghana   |
| <b>GHS</b>     | Ghana Cedis   |
| <b>MFI</b>     | Microfinance Institution  |
| <b>MIX</b>     | Microfinance Information Exchange   |
| <b>NGO</b>     | Non-Governmental Organization   |
| <b>PAR</b>     | Portfolio at Risk   |
| <b>POS</b>     | Point of Sale   |
| <b>REGMIFA</b> | Regional Micro, Small and Medium Enterprise<br>Investment Fund for Sub-Saharan Africa |

|                |  |
|----------------|--|
| <b>SAT</b>     | Sinapi Aba Trust                               |
| <b>Sinapi</b>  | Both SAT and SASL, when behaving as one entity |
| <b>SASL</b>    | Sinapi Aba Savings and Loans Company           |
| <b>S&amp;L</b> | Savings and Loans Company                      |
| <b>SME</b>     | Small and Medium Enterprise                    |
| <b>SMS</b>     | Short Message Service (or a Text Message)      |
| <b>SPM</b>     | Social Performance Management                  |
| <b>UNCDF</b>   | United Nations Capital Development Fund        |

# Summary

In 2011, Ghana's largest and arguably most successful microfinance institution (MFI) – Sinapi Aba Trust (SAT) – resolved to transform its financial service operations into a government regulated Savings and Loans Company (S&L) – Sinapi Aba Savings and Loans (SASL),<sup>1</sup> with controlling ownership remaining in the hands of SAT, a poverty-focused, non-government organization (NGO). Just prior to the conversion in 2013, SAT served nearly 150,000 clients through 48 branches in all ten of Ghana's regions. During this same period, SAT successfully balanced serving the poor with financial sustainability: portfolio at risk over 30 days was just 2.8%, average outstanding loan size was \$803 (USD), and the vast majority of clients (85%) were women. With such strong performance, what drove Sinapi to undertake such a dramatic transformation?

## **Sinapi Aba Trust (SAT) and Sinapi Aba Savings and Loans (SASL) (Jointly referred to as "Sinapi")**

**Mission:** to serve as the "Mustard Seed" (*Sinapi Aba*) through which opportunities for enterprise development and income generation are provided to the economically disadvantaged to transform their lives.

**SASL Ownership:** 85% is owned by Sinapi Aba Trust, with 15% owned by 4 individual investors, historic SAT leaders and current board members.

As is the case for most MFI conversions,<sup>2</sup> there were three critical drivers for SAT's transformation to a regulated financial institution:

1. Provide better service to clients by offering savings and by expanding financial services;
2. Achieve compliance with government regulations, which SAT supported;<sup>3</sup>
3. Secure access to lower cost and more predictable sources of capital in the form of client savings in order to improve sustainability and expansion.

## **Sinapi Performance at a Glance (Dec 2015)**

- S&L License obtained in April 2013
- Largest microfinance lender in Ghana: 143,000 borrowers, \$22 million portfolio (PAR 4.3%)
- Depositors: 201,739, \$17.28 million, 84% voluntary
- Savings client outreach: 51% previously unbanked; 85% women; 74% rural
- Savings as a portion of capital sources: 52%
- Operational sustainability: 96%
- Customer satisfaction: 3.8 out of 5

To reach these objectives, Sinapi undertook major change initiatives across the entire organization. This case study compiles the experiences and lessons of Sinapi from this journey—documenting the transformation of financial service operations into a commercial entity while maintaining the original mission of SAT: transforming the lives of economically disadvantaged people. The case highlights key issues in base-of-the-pyramid savings mobilization including:

- Building trust through marketing and customer service;
- Developing effective savings services and delivery channels;
- Investing in human resources, and preserving strong organizational culture;
- Leveraging technology for regulatory compliance and new delivery channels;
- Financing the transformation - conversion expenses and sufficient paid-up capital; and
- Upholding a focus on the mission.

The case is particularly relevant for MFIs converting to regulated savings institutions as "late-comers" in the market, but also for other financial institutions seeking to extend savings to under-served populations using alternative delivery channels.

<sup>1</sup> Sinapi Aba Savings and Loans, Ltd., a Tier 1 financial institution under Nonbank Financial Institutions Act, 2008 (Act 774) and the Banking Act, 2004 (Act 673) as amended by Act 738.

<sup>2</sup> CGAP. "NGO MFI Transformations: Ownership Issues." CGAP Brief, 2008. <https://www.cgap.org/sites/default/files/CGAP-Brief-NGO-MFI-Transformations-Ownership-Issues-Nov-2008.pdf> Leonard, Matt.

"Institutional Culture and Transformation: From NGOs to Market-led MFIs." Microsave India Focus Note 20, 2009. [http://www.microsave.net/files/pdf/IFN\\_20\\_Instit\\_Culture\\_Transformation.pdf](http://www.microsave.net/files/pdf/IFN_20_Instit_Culture_Transformation.pdf)

<sup>3</sup> At the time, leading MFIs advocated for regulation to protect clients from exploitative practices, to facilitate access to capital, and increase services to enhance financial inclusion.

# Evidence of Success

The lessons shared here emerge from an uphill, yet successful, journey-in-progress.<sup>4</sup> SAT obtained a license to operate an S&L in April 2013. Despite the challenging operating environment of economic recession and high inflation (average 13%), Sinapi remains the largest microfinance lender in Ghana by over 64,000 clients<sup>5</sup> and has established itself as a leader in savings services for its target market – the economically active poor. Within 2.5 years of receiving its license to mobilize savings, Sinapi is serving 201,739 depositors through 344,444 accounts as of Q4 2015. The majority of its deposit portfolio value is voluntary savings, with only 16% being compulsory savings held as security for loans.

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<sup>4</sup> This case study chronicles Sinapi's conversion experience up to December 2015, so information referred to as "current" pertains to December 2015.

<sup>5</sup> Mix Market. "Ghana Market Profile." Microfinance Information Exchange, 2015. <https://www.themix.org/mixmarket/countries-regions/Ghana>

The largest cohort of depositors (43%) save through Sinapi's Mobile Bankers, who offer doorstep banking in dense markets and workplaces. At this point, Sinapi is still assessing whether the cost of savings mobilization is lower than the cost of external borrowing.<sup>6</sup> Nevertheless, Sinapi is already using capital mobilized through deposits to expand lending.

**From zero in 2011, deposits increased to 52% of capital sources by 2015.**

A 2015 customer survey – the first since the conversion – concluded that overall customer perception of Sinapi is positive, with an average rate of 3.8 out of 5 (on a scale of 1-5, with 5 being the highest).

During this transition, Sinapi has maintained its focus on reaching the economically active poor. Sinapi is in the process of implementing institution-wide social performance measurement, but in the meantime three demographic indicators serve as strong proxy indicators of poverty outreach:



**51% OF SAVERS ARE  
PREVIOUSLY  
UNBANKED**



**85% ARE WOMEN**



**74% LIVE IN  
RURAL AREAS**

(Q4 2015).<sup>7</sup>

Despite these successes, Sinapi still operates on the margin of profitability, just breaking even on return on assets with operational self-sufficiency of 96% (December, 2015).



*Evidence of Success - Client Photo*

<sup>6</sup> In 2016, in partnership with Bankable Frontier Associates (BFA), Sinapi underwent a systematic profitability analysis – results forthcoming.

<sup>7</sup> Sinapi is working with Opportunity International with technical assistance from MicroSave to implement social performance measurement, which includes applying the Progress Out of Poverty Index (PPI). See: <http://www.progressoutofpoverty.org/>

# Transformation Processes – Critical Success Factors

Although transformation processes continue, the major initiatives of Sinapi's transformation are well on their way to completion. One common theme throughout the change process has been the retention of Sinapi's critical mission elements, drawing especially from prior operations as an NGO as well as a history of high customer satisfaction. The key processes and critical success factors for Sinapi's transformation process are presented in the next page.

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## Regulatory Compliance, Ownership and Governance:

SASL meets the Bank of Ghana (BoG) requirements for stated capital, reserve ratio, and capital adequacy with 21.5 million GHS (\$5.7 million USD) in stated capital as of December 2015. While transferring assets to SASL, SAT maintains control over the new S&L, mitigating the risk of mission drift. The majority (85%) of SASL shares are owned by SAT, and the balance by four individual investors who also serve on the SAT board. During the transformation, Sinapi maintained a close relationship with BoG regulators who provided information and regulatory guidance. By the time Sinapi converted, the BoG was well-versed in microfinance issues and the conversion process, a benefit of later conversion.



85% OWNED  
BY SAT



15% OWNED BY  
FOUR INDIVIDUAL  
INVESTORS

Serve on the SAT board

## Product Development and Alternative Delivery Channels:

As an S&L, Sinapi now offers seven savings products: six voluntary, and one required as security for loans. The majority of new savers use Mobile Bankers (contracted staff) who physically circulate in markets, providing financial services on behalf of Sinapi. Customers can also access account information via mobile phone and receive SMS text alerts to confirm transactions. Sinapi developed new savings services based on good industry practice, competitive analysis, and client focus groups; Sinapi constructed a unique market position by replicating existing proven products and channels<sup>8</sup> while also adding new features under the trusted Sinapi brand. Meanwhile, Sinapi maintained its core lending services while developing new individual and SME loan services. Existing Sinapi credit clients had to comply with new processes, such as more stringent “know your customer” identification. They were also inducted into alternative delivery channels like mobile banking. Given these changes and Sinapi’s focus on savings and marketing/rebranding strategies during the transformation process, Sinapi’s credit portfolio was largely maintained, rather than actively grown during transition (2013-2015).

The BoG began to regulate informal “Susu” collectors in 2011, leading some formal financial institutions to incorporate both these experienced financial service providers and their existing name into their banking model and staffing arrangements.<sup>9</sup> Sinapi’s Mobile Bankers are contracted staff who extend the traditional Ghanaian “Susu” savings collector model. Sinapi’s Mobile Bankers offer doorstep banking to micro-entrepreneurs and workers using point of sales (POS) devices, mobile phones, or simple paper technology to collect small amounts from clients directly where they work. Clients can also withdraw via Mobile Bankers, with next day cash delivery. Mobile Bankers are branded with Sinapi uniforms and identity cards, and treated as staff by Sinapi – they are not “agents” in the sense of representing Sinapi as one of many other financial or telephone companies.



Mobile Banker with Client

## Sinapi’s Mobile Bankers and “Susu” Services

<sup>8</sup> McKay, Claudia. “Ghana: Aiming for Interoperability in Branchless Banking.” CGAP Blog, 2011. <http://www.cgap.org/blog/ghana-aiming-interoperability-branchless-banking> Sengupta, Urmi and Diana Dezzo.

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<sup>9</sup> IFAD. “Ghana – Informal Financial Services for Rural Women in the Northern Region.” Rural Financial Services Project. IFAD, 2000. [https://www.ifad.org/topic/tools/tags/gender/rural\\_finance/](https://www.ifad.org/topic/tools/tags/gender/rural_finance/)

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Rebranding and Marketing



## Rebranding and Marketing:

Sinapi conducted a major rebranding campaign to differentiate itself as an S&L rather than an MFI, including branch relocation to prominent storefronts, updated colors and signage, multi-media communications, branch opening and conversion events, community events, and staff reorientation. The logo and campaign maintained connection with Sinapi's core financial inclusion mission, Sinapi's long history as a stable, large MFI, and the "tree" as the core symbol of how microfinance helps client grow their dreams from a "mustard seed" into a large, strong, fruitful tree. The rebranding was followed by official launches of savings products in two phases. Sinapi's 2015 market survey revealed a generally positive reaction to the rebranding, with the exception of the use of the word "microfinance" in SASL's tag line: "Transforming Lives through Micro Finance." Some non-customers prefer placing their savings with a "real bank" because "MFIs can't be trusted." Now that the main marketing blitz is over and financial performance is a high priority, Sinapi is engaging in lower cost, but nonetheless dynamic, marketing initiatives such as weekly "Sinapi Roar" days when all staff at all levels go into the market place to promote Sinapi and engage new customers.

- **MFI market confusion:** Over 80 new MFIs opened in Ghana in 2015, but BoG reviewed tens of licenses/applications due in part to fraud; "MFI" scams are widely publicized.<sup>10</sup>
- **Scarce and expensive capital:** The availability of capital is limited due to the global financial crisis; minimal grant availability for Sinapi due to being a 'late-comer' in the MFI conversion process; impact investment capital carried variable interest rates.<sup>11</sup>
- **Inflation:** Inflation rates in Ghana spiked unexpectedly from 9% (2010-2013), up to 15% in 2015.<sup>12</sup>
- **Low demand:** The economic recession depressed demand for loans and inflation depressed demand for savings.<sup>13</sup>
- **Competitive microfinance market:** Because Sinapi was a late-comer to MFI transformation, others already had a share in the savings market and grants and capital were hard to come by.<sup>14</sup>

## Challenging Operating Environment 2011 - 2015

<sup>10</sup> Joy Online. "BoG bars Micro Finance Companies from Name Changes." Joy Online, 2014. <http://www.myjoyonline.com/business/2014/August-19th/bog-bar-mfis-from-name-change.php> McClintock, Makai. "Bank of Ghana Grants Licenses to 171 Financial Institutions as 116 Fraud Cases Involving Unlicensed Institutions are Pending." MicroCapital Brief, 2013. <http://www.microcapital.org/microcapital-brief-bank-of-ghana-grants-licenses-to-171-financial-institutions-as-116-fraud-cases-involving-unlicensed-institutions-are-pending/>

<sup>11</sup> Glisovic, Jasmina and Senayit Mesfin. "Microfinance Investment In Sub-Saharan Africa: Turning Opportunities into Reality." CGAP Brief, 2012. <https://www.cgap.org/sites/default/files/CGAP-Brief-Microfinance-Investment-in-Sub-Saharan-Africa-Turning-Opportunities-into-Reality-Jun-2012.pdf> Hishigsuren, Gaamaa. "Transformation of Micro-finance Operations from NGO to Regulated MFI." CGAP Microfinance Gateway, 2006 [http://www.arabic.microfinancegateway.org/sites/default/files/mfg-en-paper-transformation-of-micro-finance-operations-from-ngo-to-regulated-mfi-2006\\_0.pdf](http://www.arabic.microfinancegateway.org/sites/default/files/mfg-en-paper-transformation-of-micro-finance-operations-from-ngo-to-regulated-mfi-2006_0.pdf)

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<sup>12</sup> Bank of Ghana, 2016. [https://www.bog.gov.gh/index.php?option=com\\_wrapper&view=wrapper&Itemid=263](https://www.bog.gov.gh/index.php?option=com_wrapper&view=wrapper&Itemid=263) IMF. "World Economic Outlook, July 2015: Ghana." World Economic Outlook. IMF, 2015.

<sup>13</sup> World Bank "Ghana: Country Overview" World Bank. 2016. <http://www.worldbank.org/en/country/ghana/overview> BoG, 2016

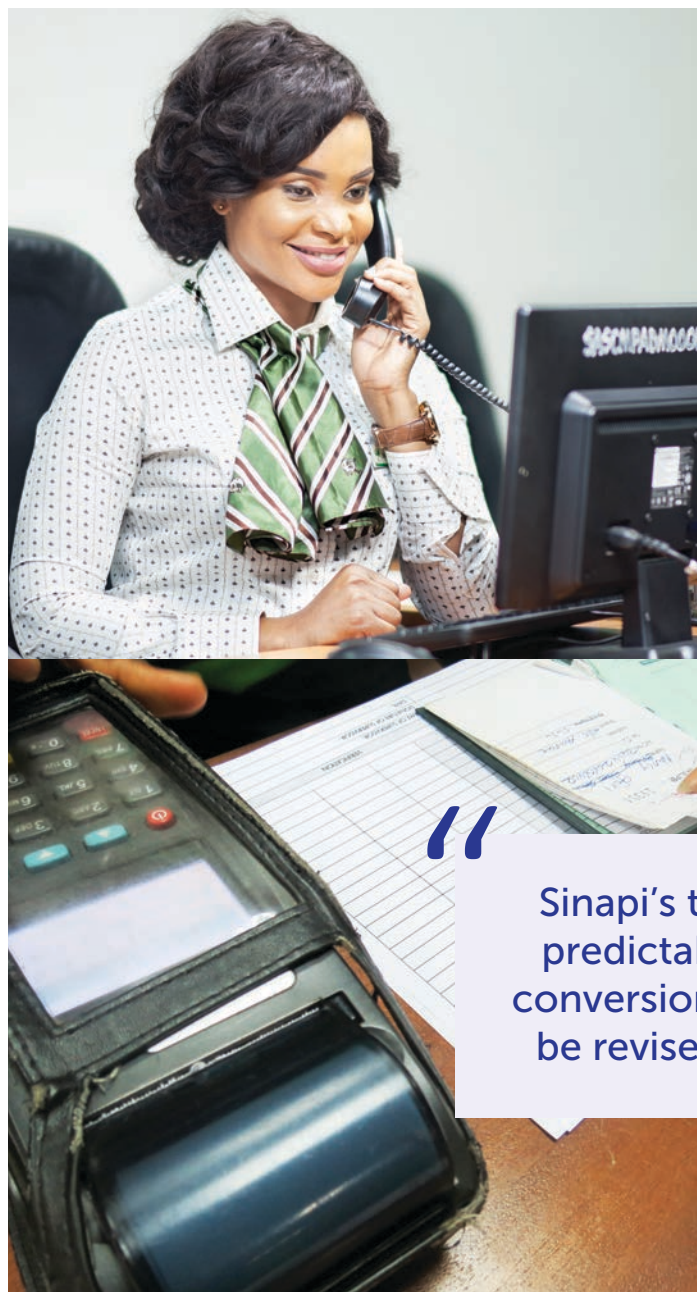
<sup>14</sup> Abban, Kukku. "Fidelity Bank launches 'Save for Gold' Promotion." Joy Online, 2015. <http://www.myjoyonline.com/business/2015/August-12th/fidelity-bank-launches-save-for-gold-promotion.php> Access Bank. "Access Launches High Interest Bearing Account as It Rolls Out Savings Campaign." Access, 2015. Alhassan, Rabiu. "Union Savings and Loans Launches Omni Saving Bonus Campaign." Citifmonline, 2015. Bank of Ghana

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## Systems, Infrastructure, and Technology:

In the course of conversion, Sinapi reviewed and updated its policies and procedures, including at least 16 sets of policies and manuals. The infrastructure and technology work involved substantial and costly customer-facing and back-office developments. All branches were linked to the institution technologically through a secure network that performs real-time transactions, as required by BoG regulations. Half of SAT's physical branches were relocated or physically reconstructed to meet more stringent building codes for a secure bank branch. Sinapi offers some banking functions via mobile phone and has plans to roll out more. At the same time, the majority of new savers are using a low-tech alternative delivery channel: Mobile Bankers. Although Sinapi purchased and operates some POS devices with receipt printers, challenges with connectivity and the cost of these devices have kept them from being a viable option for all of Sinapi's Mobile Bankers.<sup>15</sup> The majority of Mobile Bankers now use mobile phones and write simple paper receipts, and Sinapi delivers an SMS confirmation to the client later, once the cash reaches the branch. This is a low-cost, technologically-reliable solution. Sinapi's technology investment was the least predictable and most expensive aspect of its conversion, prompting a key lesson: Plans must be revised in detail as circumstances change.

“Sinapi's technology investment was the least predictable and most expensive aspect of its conversion, prompting a key lesson: Plans must be revised in detail as circumstances change.”



Alternative Delivery Channels

<sup>15</sup> Michaels, Loretta. "Delivering Technology Solutions to Susu Collectors." CGAP Brief (2008). <http://www.cgap.org/blog/delivering-technology-solutions-susu-collectors>



## Structural Change, Human Resource Development and Institutional Culture:

Human resource development – once a critical focal point in microfinance – has recently taken a back seat in global focus with a rising emphasis on technology and alternative delivery channels. Nevertheless, human resource development remains crucial to successful savings mobilization – even with alternative delivery channels.<sup>16</sup> In the transition to S&L status, Sinapi added a Deposits department and 4 additional supervisory or control oriented teams (Risk, Comptroller, Credit Control and Recovery) to supplement the internal audit team. In addition to enhanced supervision, Sinapi staff were under higher pressure to perform due to the dual responsibility of maintaining regulatory compliance and being good stewards of the savings of the lowing clients they serve. In addition, the marketing and customer service required to recruit savers is more intense and different. Historically, as a rare rural NGO offering finance, Sinapi staff screened applicants. As a company soliciting savings, staff had to find clients and engender trust. With the addition of significant systems and technology shifts, Sinapi staff were under significant transition pressure.

Sinapi leaders managed the transition with a strong commitment to its staff. Unlike many institutions undergoing major restructuring (and against external advice), Sinapi leaders made a commitment to maintain and retrain staff during the conversion rather than hire in external banking talent. This strategy required a significant investment in training and human resource development. With UNCDF MicroLead support, Sinapi invested heavily in staff reorientation, training, and redeployment. A number of external bankers were hired in senior positions, but they work under existing senior management rather than replacing them. In spite of dramatic changes and a more business-like work atmosphere, Sinapi maintained its organizational culture as a “large Christian family.” Even Sinapi’s Mobile Bankers – who work on contract – carry the Sinapi brand and are welcomed as staff members. This HR strategy appears to have paid off: in the 2015 Customer Survey, Sinapi staff performance was the most highly rated of any category (receiving scores of 4.3 and 4.4 out of 5).



*Staff in Sinapi Wear*



*Sinapi Staff Member (left)*

## Capital Mobilization and Financial Performance:

Capital management was another significant challenge area for Sinapi, with high inflation and the unexpected and unpredictable high cost of external borrowing – even from impact investors. Sinapi leaders keep track of cash-flow and equity ratios in real-time to meet regulatory requirements. Prior to the transformation, SAT relied on a combination of donations, social investment loans, and commercial borrowing. After the transformation, Sinapi was able to curb additional borrowing by relying on deposits to expand the loan portfolio, cover significant transformation costs with the UNCDF grant, and buffer some other operating expenses using specialized programme grants. Nevertheless, in mid-2015, an additional capital injection was required by SAT in order to maintain BoG’s minimal capital requirements. During the transition, Sinapi’s operating self-sufficiency (OSS) declined and dipped below 100%, but Sinapi broke even (based on return on assets) as of January 2016. Currently, Sinapi is undergoing a profitability analysis in partnership with Bankable Frontier Associates to develop a more focused business strategy in light of new cost structures and market conditions.

In all of the areas above, Sinapi’s leaders have managed the transformation by balancing change with continuity, in order to maintain the balance between Sinapi’s missional and financial goals moving forward.

<sup>16</sup> Leonard, Matt. “Institutional Culture and Transformation: From NGOs to Market-led MFIs.” Microsave India Focus Note 20, 2009.

# Lessons for Financial Inclusion

*What does the Sinapi story add to the lessons about MFI conversion to regulated institutions?*

Sinapi leaders acknowledge the well-documented contribution of the global MFI transformation experience in helping to guide them in their successful conversion.<sup>17</sup> Although institutional conversion seems like an organizational change story, fundamentally it is about adjusting delivery strategy in order to exponentially expand and deepen financial inclusion.<sup>18</sup>

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<sup>17</sup> Glisovis and Mesifn, 2012; Hishigsuren, 2006; Kunateh, 2012; Mensah, 2009; Ndambu, 2009; Sengupta and Dezso, 2013

<sup>18</sup> Ledgerwood, Joanna and Victoria White. "Transforming Microfinance Institutions: Providing Full Financial Services to the Poor." World Bank Group- International Finance Corporation, 2006. <http://www.ifc.org/wps/wcm/connect/932e5a004ac365d397c1b72e0921df6a/Transforming+Microfinance+Institutions.pdf?MOD=AJPERES1>

To add to this pool of knowledge, Sinapi offers the following recommendations for NGO-managed MFIs embarking on the transformation process at this point in time (2016):

1. Identify diverse, significant sources of capital – paid-up capital, market-based financing, and grants.
2. Invest heavily in a rebranding and marketing campaign that emphasizes security, institutional history, and also exciting technology-based services for existing and new customers.
3. Take advantage of others' experience: read about lessons and challenges, keep abreast of the competition in the market; replicate existing, proven products and channels while offering improvements on competitors' services, leveraging existing customer awareness of saving services, while working to establish a unique value proposition.
4. Work closely with the Central Bank, leveraging their experience and guidance.
5. Advanced planning is essential; plans must be revised in detail as circumstances change: some investments – especially IT – are costly, and arrive with high cost-over-runs if not planned very carefully. In a capital scarce environment, this can cause a crisis.
6. Build staff capacity and utilize existing human resources and human resource strategies for building banking capacity while preserving expertise in reaching the poor.
7. Adopt information technology to improve efficiency, to enhance outreach and service quality, and to meet regulatory standards – but manage risks associated with technology adoption carefully.
8. Establish systems for product and channel cost and profit calculation early; although these systems are new, some system is better than none.
9. Align the pace of growth according to one's capacity to absorb change.
10. Balance change and continuity in order to avoid mission drift.

In 2013, UNCDF awarded Opportunity International and Sinapi Aba Savings & Loans a grant of \$700,000 for a four-year MicroLead Expansion Project in Ghana. The project is focused on Sinapi's transition to a deposit-taking institution, with funding and technical assistance provided to support the successful rollout of savings products and documentation of lessons learned. The partnership with UNCDF and Opportunity International is enabling Sinapi to reach more Ghanaians with a full suite of financial products and services thus providing them with more opportunities to transform their lives, their families, and their communities.

## UNCDF MicroLead Partnership with Opportunity International and Sinapi Aba Savings & Loans

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## End Notes

<sup>1</sup> Sinapi Aba Savings and Loans, Ltd., a Tier 1 financial institution under Nonbank Financial Institutions Act, 2008 (Act 774) and the Banking Act, 2004 (Act 673) as amended by Act 738.

<sup>2</sup> CGAP. "NGO MFI Transformations: Ownership Issues." CGAP Brief, 2008. <https://www.cgap.org/sites/default/files/CGAP-Brief-NGO-MFI-Transformations-Ownership-Issues-Nov-2008.pdf> Leonard, Matt. "Institutional Culture and Transformation: From NGOs to Market-led MFIs." Microsave India Focus Note 20, 2009. [http://www.microsave.net/files/pdf/IFN\\_20\\_Instit\\_Culture\\_Transformation.pdf](http://www.microsave.net/files/pdf/IFN_20_Instit_Culture_Transformation.pdf)

<sup>3</sup> At the time, leading MFIs advocated for regulation to protect clients from exploitative practices, to facilitate access to capital, and increase services to enhance financial inclusion.

<sup>4</sup> This case study chronicles Sinapi's conversion experience up to December 2015, so information referred to as "current" pertains to December 2015.

<sup>5</sup> Mix Market. "Ghana Market Profile." Microfinance Information Exchange, 2015. <https://www.themix.org/mixmarket/countries-regions/Ghana>

<sup>6</sup> In 2015/2016, in partnership with Bankable Frontier Associates (BFA), Sinapi underwent a systematic profitability analysis – results forthcoming.

<sup>7</sup> Sinapi is working with Opportunity International with technical assistance from MicroSave to implement social performance measurement, which includes applying the Progress Out of Poverty Index (PPI). See: <http://www.progressoutofpoverty.org/>

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## ABOUT UNCDF

UNCDF makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's financing models work through two channels: financial inclusion that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and by showing how localized investments — through fiscal decentralization, innovative municipal finance, and structured project finance — can drive public and private funding that underpins local economic expansion and sustainable development. By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a number of different SDGs.

## ABOUT MICROLEAD

MicroLead, a UNCDF global initiative which challenges financial service providers to develop, pilot and scale deposit services for low income, rural populations, particularly women, was initiated in 2008 with support from the Bill & Melinda Gates Foundation and expanded in 2011 with support from The MasterCard Foundation and LIFT Myanmar. It contributes to the UN's Sustainable Development Goals, particularly SDG 1 (end poverty), SDG 2 (end hunger, achieve food security and promote sustainable agriculture) and SDG 5 (achieve gender equality and economic empowerment of women), as well as the Addis-Abeba Financing for Development Agenda (domestic resource mobilization).

MicroLead works with a variety of FSPs and Technical Service Providers (TSPs) to reach into previously untapped rural markets with demand-driven, responsibly priced products offered via alternative delivery channels such as rural agents, mobile phones, roving agents, point of sales devices and informal group linkages. The products are offered in conjunction with financial education so that customers not only have access but actually use quality services.

With a specific emphasis on savings, women, rural markets, and technology, MicroLead is a performance-based programme that supports partnerships which build the capacity of financial institutions to pilot and roll out sustainable financial services, particularly savings. As UNCDF rolls out the next phase of MicroLead, it will continue to focus on facilitating innovative partnerships that encourage FSPs to reach into rural remote populations, build on existing digital financial infrastructure and emphasize customer-centric product design.

For more information, please visit [www.uncdf.org/microlead](http://www.uncdf.org/microlead). Follow UNCDF MicroLead on Twitter at @UNCDFMicroLead.

## ABOUT THE MASTERCARD FOUNDATION

The MasterCard Foundation works with visionary organizations to provide greater access to education, skills training and financial services for people living in poverty, primarily in Africa. As one of the largest private foundations its work is guided by its mission to advance learning and promote financial inclusion to create an inclusive and equitable world. Based in Toronto, Canada, its independence was established by MasterCard when the Foundation was created in 2006.

## ABOUT OI

Opportunity International is a global microfinance organization that invests philanthropic and social impact capital to spark and scale innovative solutions to poverty. In 2015, we served 14.3 million people in 24 developing countries in sub-Saharan Africa, Latin America, Eastern Europe and Southeast Asia with loans, saving accounts, insurance and on-going training to build sustainable businesses and care for their families. Opportunity's approach offers high-impact, sustainable and scalable strategies across key focus areas, including Agriculture, Education, Digital Financial Services, and Water, Health and Sanitation. Approximately 95% of Opportunity's loans go to women, and as loans are repaid — and 99% are — they are loaned out again and invested in more entrepreneurs, creating ongoing cycles of opportunity and growing impact.

## ABOUT SASL

Sinapi Aba Savings and Loans is one of the largest Savings and Loans Companies in Ghana with a core mandate to transform lives at the bottom of the pyramid through microfinance. Sinapi Aba began in 1994 as a non-governmental organization limited by guarantee. Over the years, Sinapi has grown to become a prominent Non-Bank Financial Institution (NBFI) in the country with a microfinance focus, serving over 142,000 borrowers and 209,000 depositors. Sinapi Aba has initiated and implemented several interventions to impact the lives of rural and financial excluded through 45 branches across Ghana.



#### MicroLead/UN Capital Development Fund

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Two United Nations Plaza  
26th Floor  
New York, NY 10017  
United States

☎ +1 212 906 6565  
📠 +1 212 906 6479

🌐 [www.uncdf.org/en/microlead](http://www.uncdf.org/en/microlead)  
✉ [pamela.eser@uncdf.org](mailto:pamela.eser@uncdf.org)  
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