

Savings at the Frontier (SatF)

A Mastercard Foundation partnership with Oxford Policy Management

Project Briefing: Access Bank – providing enhanced savings products to women in Ghana



Introduction

Access Bank (Ghana) is receiving support of up to \$1,000,000 from SatF to enhance its LIVE B3TA account: an insurance-embedded group savings account linked to a mobile money wallet, which aims to drive behavioural change towards savings, micro-insurance and credit. The account's target market is informal groups, particularly women in rural and peri-urban areas. LIVE B3TA's integration with mobile money makes it easier for customers to make transactions and allows the phone number as an alternative to the account number. LIVE B3TA offers both individual and group accounts and is delivered to the groups via local, trusted NGOs or agents recruited from the local community by Access Bank. The project's target is to reach 35,000 active, mostly female, rural and peri-urban users by the end of 2020. LIVE B3TA is part of Access Bank's flagship 'Women's Initiative' (branded as 'W').

What difference will SatF's support make?

SatF's support to Access Bank will start by providing funding to finalise the systems development for the group product and the integration of the group-member offering, as well as the deployment of the solution with the groups identified and set-up in the pilot regions. For example, SatF funds may be used to cover the costs of recruiting and training field officers and direct sales agents, on-boarding MoMo agents, as well as any remaining development and marketing costs required to bring the product to market. In the next stage of the project, SatF funds will cover some of the marketing and operational costs associated with an expanded, national roll-out of the group linkage offering. SatF will then support the delivery of commercial scale-up and may be used to address any associated obstacles, such as the cost to the customer of accessing agent outlets, float balancing issues or the need for further customer financial literacy training. The final funding tranches can be used to meet additional costs related to the continued expansion of the distribution network and linkage business.

How exactly will this project benefit ISM users?

This project will provide ISM users, particularly women on low-incomes, with more secure, affordable and transparent access to formal financial services and a wider range of products and services. LIVE B3TA enables its users to keep their savings in a secure account but access them easily via their digital wallets, earn interest on their savings, borrow against them, and access other financial services such as micro-insurance and pensions. During the pilot phase, Access Bank realised many of their target market cannot afford to buy mobile phones. In response, they designed a pre-financing credit facility that provides individuals with phones, the cost of which they repay via small, regular deductions from their savings.

How can this be profitable for Access Bank?

Access Bank's business case for LIVE B3TA is built around the value of float mobilisation in a relatively high interest rate environment. The rates used and the leverage they have on the business case look reasonable and the product should reach commercial sustainability. However, the bank will need to create a balanced long-term revenue model that includes cross-selling of individual

savings and insurance products and will probably need to build in some element of responsible credit.

Why the project was approved

Access Bank is a predominantly urban bank which wants to expand into rural and peri-urban areas, with SatF's support. As such, a partnership with them would offer medium-scale outreach in Ghana. Access Bank complements the rest of the SatF portfolio in Ghana as it is the only deposit-taking institution we are working with (our other partners, Interpay and DSS, are fintech companies that are not interacting directly with ISMs). The SatF team particularly likes the idea of having a phone number serving as an alternative to account number: this is a neat technological solution that could facilitate adoption and, if successful, would significantly reduce the perceived complexities that group members have in dealing with financial institutions. Also, by working with local NGOs to reach ISMs, and also implementing limited bank-led group creation, the bank will test the availability and capacity of local facilitators, be able to compare the quality of facilitation under the two approaches (and between local NGOs), and also allow us to allocate a monetary value to the cost of customer acquisition under the different scenarios. The focus on women should allow the bank (and SatF) to extract more information on their specific needs and explore different ways of tackling those needs through relevant financial services – drawing lessons that could have much wider relevance along the way. Finally, the project will allow us to better understand the price sensitivities of prospective customers in the Ghanaian context, with space created to analyse the fees and charges applicable for the different delivery channels. It will also help us understand the kind of targets for customer numbers and revenue streams required to sustain activities.

Launched in 2009, Access Bank Ghana is a full service commercial Bank offering universal banking services to corporate, commercial, retail customers and financial institutions across Ghana.