



**MAKING SAVING FOR OLD AGE EASY AND
SIMPLE. FOR EVERYONE. EVERYWHERE.**

WWW.PINBOXSOLUTIONS.COM

pinBox is a global pensionTech committed exclusively to digital micro-pension inclusion for non-salaried women and youth in Asia, Africa and Latin America.



pinBox mission and efforts are closely aligned with several Sustainable Development Goals, 2030



Nigeria: Initial conditions and design considerations



Demography

Median age 18 yrs. Of the 106m working age citizens, 55% are less than 35 years. 9.4m current elderly projected to nearly triple to 26m by 2050. Life expectancy of 14 years at age 60.

Labour markets

83m workers. 45m self-employed; 8.7m salaried informal; 8.3m salaried formal; 21m farmers.

Incomes

GDP per capita of US\$2400. Minimum wage N30,000. Over half earn daily wages; One in 5 earn weekly incomes.

Financial and Pension inclusion

60% have an account with a bank or other formal financial institution. 5% have a mobile money account. 49% men and 34% women are KYC compliant. <8 adults have a pension account. 94% of adults without pensions are unaware of micro-pensions.

Behavior and outlook

19% of Nigerian adults used bank agents in 2020. 70% (34 million) informal sector workers saved money in the past 12 months. 66% save weekly or monthly.

57% save with commercial banks; 15% at home in cash. Reasons: Easy/ simple (35%), Liquidity (14%), Convenient access (21%), Trust (20%).

Digital inclusion

187m mobile connections. 87m internet users. 33m active social media users. Over 30m WhatsApp users. 99% smart phone ownership. 93% access the internet on mobiles. Average data download speed 18mbps. 95% prepaid connections; 11.2m made online purchases in 2020

Key challenges

Low traction of digital payments; High inflation

Nigeria's multi-billion dollar crisis and new market opportunity

>90%

Informal sector workers
in Nigeria who are not
prepared or preparing
for their retirement

24 million

Destitute elderly without
retirement benefits in
Nigeria by 2050 if the
present status continues

\$21 billion

Annual cost of a tax-
funded social pension of
N1000 a day to these
future destitute elderly
(current minimum wage)

N60,000

Inflation-indexed
monthly pension that a
25-year old can derive
by saving N50 a day

\$8.2 billion

New long-term savings
in a decade if even 10%
of the excluded workers
begin saving N50 a day



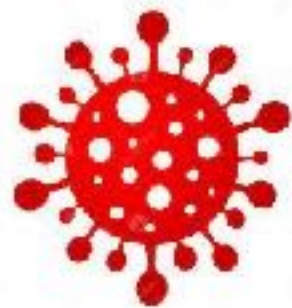
Women are better savers than men. Yet they are **much more vulnerable to old age poverty.**

Why do women need more money in retirement?

- ♀ Usually live longer than men
- ♀ Spend more time living alone in old age
- ♀ Their retirement needs are more expensive

Why are women unable to save enough?

- ♀ Are more informally employed
- ♀ Make up majority of single parent households
- ♀ Earn less than men in similar occupations
- ♀ Face frequent work and income interruptions
- ♀ Usually save in cash or informal instruments



Women are also over represented in sectors that are worst affected by the Pandemic (retail, hospitality, care and domestic work) because these jobs cannot be done remotely

Nigeria already has the building blocks needed for mass-scale micro-pension and social security inclusion...



Strong policy and regulatory commitment



Broad-based digital ID; Growing digital payments



Well-regulated PFAs, insurers and banks



Near universal mobile penetration



Nearly 50m workers with capacity to save



Community networks for financial literacy

... yet there's no easy and simple way for most people to save for old age or manage lifecycle risks

Problem

What is **preventing** comprehensive micro-pension inclusion in Nigeria?

- PFAs using legacy IT platforms originally designed for mandatory pensions for salaried workers. Not equipped to deliver micro-pensions to the self-employed.
- Building a proprietary micro-pension administration and delivery platform from scratch is hugely expensive for individual PFAs — in terms of time, capital costs and mistakes in design. Hugely defers breakeven
- PFAs face high operating costs and scale limitations of proprietary sales and distribution networks, and generic promotions, awareness and financial literacy; Makes micro-persons commercially unviable for standalone PFAs
- Citizens face non-uniform governance, product rules, service quality, retirement outcomes and portability constraints across PFAs; Lowers public confidence



What are the usual barriers to thrift and self-help for low-income self-employed workers?

Barriers



Fragmented ecosystem

The digital finance, product and delivery ecosystem exists but is fragmented. No easy and simple way for most people to save for old age or manage risks.



Commercial viability

Agent-led finance sales models and incentives make small-ticket pensions and insurance unviable at a disaggregated level for both finance firms and distributors.



Friction and barriers

Cumbersome KYC and complicated entry-exit processes prevent voluntary participation, lower confidence and increase transaction costs.



Affordability constraints

Most informal workers have modest irregular incomes. Can't afford large ticket sizes. Most use past savings and/or expensive credit for risk management.



Myopia

Financial illiteracy and low awareness impacts participation, savings values and persistency.

pinBox approach



Single-window marketplace

Use APIs to integrate the digital national ID, payments, product and governance ecosystem to “switch-on” a pension, insurance and savings “marketplace” with easy, secure universal access.



Demand aggregation

Provide cooperatives, banks, MFIs, MSMEs, fintechs, gig platforms and other aggregators free plug-and-play access to the marketplace to cross-sell the solution to their members, clients and employees.



Simple, easy access

Leverage open digital platforms like WhatsApp and USSD. Simple, familiar UI-UX. Optimizes access. Sidesteps digital literacy efforts. Lowers friction and transaction costs. Increases confidence and participation.



Flexibility

Integrate liquid savings and insurance with pensions. Link micro-contributions with income flows to make savings, pensions and insurance more affordable.



Awareness and incentives

Work with trusted outreach partners on retirement literacy. Enable targeted co-contributions and fiscal incentives for mass voluntary uptake.

We clearly need to do things differently to achieve different outcomes.

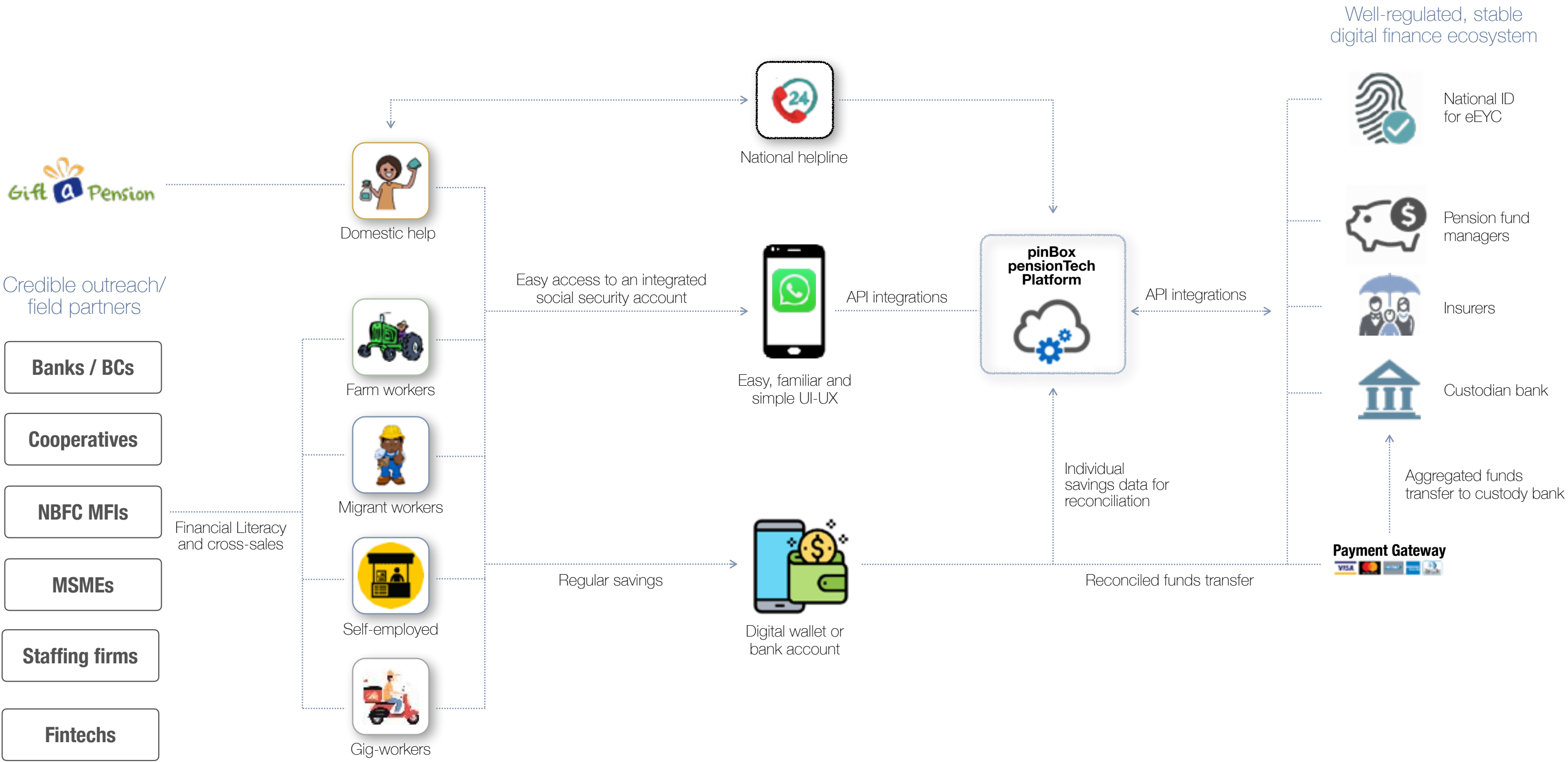
Solution

Proposed approach to **jumpstart mass-scale micro-pension inclusion in Nigeria**

- Establish shared governance and administration infrastructure for a single, national-level voluntary micro-pension scheme
- Use a specialized pensionTech platform and secure APIs to leverage the existing digital ID, payments and financial inclusion infrastructure to “switch-on” a digital micro-pension “marketplace”
- Any citizen should be able to use any device to access this marketplace to easily open and operate a portable micro-pension and insurance account
- Provide credible and trusted field partners and aggregators free plug-and-play access to the marketplace



pinBox “marketplace” architecture and model based on “shared infrastructure”



Key advantages of shared, common infrastructure



1. Lowers costs by leveraging the existing digital ID and financial inclusion ecosystem for micro-pension inclusion. Lowers fees and charges. Short time-to-market.
2. Equity — all subscribers enjoy identical choices, rights and benefits
3. Central (shared) recordkeeping and administration enables seamless account portability, competition, individual choice, targeted fiscal incentives, high governance standards, automated process compliance monitoring, uniform services quality and subscriber protection.
4. Credible service and outreach partners serve as the “face” of micro-pensions; Increases public confidence and traction
5. Make pensions and risk management as easy and simple as sending a message

Traction



RWANDA

Government-sponsored digital micro-pension scheme based on the pinBox model

~1.5m voluntary subscribers within 2.5 years (25% of addressable market)

RwF15b in new long-term savings mobilized

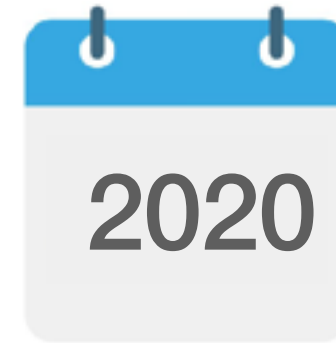


KENYA

Platform deployed for Zamara and Prudential Insurance

Addressable market 10m

25,000 Equity Bank agents will cross-sell micro-pensions to 8m bank customers



INDIA

Platform being deployed with HDFC Pension, Nippon AMC, SBI AMC, Acko, Chola

Addressable market >200m

Partnerships with credible aggregators that reach >25m self-employed women and gig workers in place



UGANDA

Implementation blueprint for a national digital micro-pension scheme designed with URBRA (Uganda's pension regulator)

Addressable market 8m

This is
beginning
to work.



THANK YOU

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