

SUMMARY REPORT

VISA-FT FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial
education across emerging economies

Mumbai - 5 June 2012

Nairobi - 9 July 2012

Dubai - 17 October 2012



FINANCIAL
TIMES





Visa and Financial Times Forums Confront the Financial Literacy Challenge

This year, Visa worked with Financial Times to conduct a series of high-level financial literacy forums in India, Kenya and Dubai.

The forums were designed to allow local and regional experts to debate how best to provide financial education to the most vulnerable individuals in the community. Key insights from the Visa-FT Financial Literacy Forum Series will be shared with the participants at the Citi-FT Financial Education Summit 2012. This is one more example of how Visa is leading the way to improving the financial literacy levels of people around the globe.

VISA-FINANCIAL TIMES FINANCIAL LITERACY FORUM SERIES

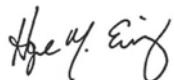
Exploring the challenge of financial education across emerging economies

The volatile economic environment, and its impact on the most vulnerable communities, have underlined the increasingly important role of financial literacy as a key skill to help ensure personal financial security, wealth-building and financial inclusion for those who are still outside the banking system. Financial education can be the difference between surviving and thriving.

Visa and the Financial Times gathered policy-makers, educators, financial service providers and other experts and thought leaders for a series of lunch forums to discuss how to optimise the provision of financial education in different emerging economies – the basic foundations that have to be in place and the regional characteristics that need to be addressed, both in terms of programme development and the channels used to maximise reach and impact.

These high-level forums – each chaired by a Financial Times journalist – were held in Mumbai, India; Nairobi, Kenya; and Dubai, United Arab Emirates between June and October 2012. They generated stimulating debate and some key conclusions on the paths to take to achieve greater financial capability, summarised in the following pages.

We hope you find these materials of value and we look forward to continuing this discussion next year.



Hope Ewing
Financial Literacy
Visa



David Pilling
Asia Editor
Financial Times

SPEAKERS – MUMBAI

Uttam Nayak

Group Country Manager, India and South Asia, Visa

James Crabtree

Mumbai Correspondent, Financial Times

K.C. Chakrabarty

Deputy Governor, Reserve Bank of India

Thomas Davenport

Director, South Asia, IFC

Somak Ghosh

Group President, Development and Sustainable Banking, YES Bank

Nirupama Soundararajan

Additional Director, Team Lead for Financial Sector Division, Federation of Indian Chambers of Commerce and Industry (FICCI)

Jayshree Vyas, Managing Director, SEWA Bank, and Executive Director, Indian School of Microfinance for Women

VISA-FT FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies



SUMMARY REPORT – MUMBAI

VISA-FINANCIAL TIMES FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies

The Visa-Financial Times Financial Literacy Forum Series started in Mumbai on 5 June 2012, and was chaired by FT Mumbai Correspondent James Crabtree and featured a keynote address by K.C. Chakrabarty, Deputy Governor of the Reserve Bank of India. This was followed by a panel deliberating on the need for suitable products, appropriate delivery mechanisms, standardised messages and sustainable partnerships between all stakeholders, including a possible public private partnership model, to take financial literacy efforts to the next level.

Uttam Nayak, Group Country Manager, India and South Asia, Visa Inc. opened the session by saying that while India is a fast-growing economy, it faces challenges associated with financial literacy that cannot be tackled by the government or the central bank alone. These challenges require partnerships that develop ideas and find solutions by learning from each other in the most effective manner.

In his keynote address, Dr Chakrabarty said financial literacy, along with financial inclusion and consumer protection, forms a triad that has a vital bearing on the stability of the financial system. "In India, the access to products itself is lacking, hence the scope (of financial literacy efforts) differs."

Financial literacy for the "resource poor", Dr Chakrabarty said, would involve addressing deeply entrenched behavioural and psychological factors that act as barriers to participating in the financial system. But work also needs to be done to educate financial service providers so that they offer "appropriate products at an affordable cost, in a fair and transparent manner" and implement financial inclusion measures in a "commercially viable manner". While pointing out that India has the advantage of a strong institutional framework to guide implementation of financial literacy efforts, he stressed the importance of communication, exhorting the forum to help standardise messages being sent to potential customers.

Talking about the multi-channel approach adopted locally to promote financial literacy, Dr Chakrabarty said the Reserve Bank of India has engaged with educational bodies to embed financial concepts in school curricula while banks have set up financial literacy and credit counselling centres for customers. State-funded groups, financial institutions and NGOs are using means like mobile vans, mass media campaigns, workshops, published material and their own websites to disseminate information. In order to resolve complaints against financial service providers, ombudsmen have been appointed, he added.

However, given the enormity of the task, "a lot of ground still needs to be covered", Dr Chakrabarty concluded.

The panel discussion began with an observation by Somak Ghosh, Group President, Development and Sustainable Banking at YES Bank that financial literacy efforts are hampered by a lack of appropriate products, delivery mechanisms, risk measurement metrics and consumer protection measures that together make the consumer "unbankable".



Thomas Davenport, Director, South Asia, IFC said IFC focuses on the broader agenda of financial awareness with the three elements of the right products, risk understanding and awareness as well as recourse and consumer protection. In India, the effort is to help microfinance institutions diversify "away from debt" by offering insurance, pensions and other tools. In order to promote responsible finance, IFC is trying to increase the amount of information available to a banking consumer, with a key successful joint initiative being establishment of credit information bureaus for MFIs (Microfinance institutions). This helps users in making informed decisions on their debt exposure "while at the same time making lending a safer bet for financial institutions".

Jayshree Vyas, Managing Director, SEWA Bank, and Executive Director, Indian School of Microfinance for Women said their approach towards financial literacy has evolved from helping the beneficiaries build assets and income to understanding financial behaviour.

An internal study revealed their customers had a short-term thought horizon as they live from crisis to crisis on a day-to-day basis. Hence, they make impulsive financial decisions and "borrow for life cycle purposes". The institutions are now coaching them to change their behaviour and think long term.

Talking about the organisations' approach, she said compounding methods are put on view to show how one can become a millionaire by saving a small amount of money regularly. Women are taught to differentiate between needs and wants and between productive and unproductive borrowing. Tools like videos and graphical representations used during classroom training and on-site training sessions also improve understanding of basic financial concepts, she added.

Nirupama Soundararajan, Additional Director, Team Lead for Financial Sector Division, Federation of Indian Chambers of Commerce and Industry (FICCI), elaborated on how business and policy communities can come together. "FICCI is aiming to build a consensus and identify key issues that all stakeholders can work on to promote financial literacy. We are all probably saying the right things but too many things and not in a focussed manner," she said. Besides, industries that have a rural presence can take small steps like opening bank branches within their offices or opening salary accounts for their employees, she said.

Deliberating on action points, Mr Davenport said IFC is currently mapping the efficacy of all financial literacy models in India and studying their sustainability from a business perspective. He said a PPP (public private partnership) model in India seems like a practical option. IFC would share case studies and help Indian MFIs build global consumer protection practices into their operations to further the cause of financial literacy.



Mr Ghosh argued that for the private sector to participate in any initiative, they would have to see a strong linkage between a business imperative and a campaign with front loaded benefits.

However, he agreed with Ms Vyas that financial literacy efforts "over a period of time begin to pay off as marketing strategies" pointing out that YES Bank finds in people trained by organisations like SEWA a ready-made pool of consumers.

Using pension products as an example, Ms Vyas also brought out the fact that demand for financial products is not always apparent but can be created if there is an underlying need, even if consumers are not aware of their existence. Touching on YES Bank's money remittance programme, a non-branch linked model using hand-held devices, Mr Ghosh said one could eliminate the need to visit a branch and service customers "any time anywhere" by such means, thereby aiding financial inclusion.

Ms Soundararajan remarked that any self-sustaining idea needs to have sustainable benefits for all stakeholders whether monetary or non-monetary, and partners need to harness best practices from other geographies and industries in order to evolve the right model for India. "It is a process, we start somewhere and learn through the process," she said.

Summing up, Mr Crabtree said "having begun this forum with a firecracker of a speech by the Deputy Governor, we have seen the beginnings of a slightly inchoate agenda.... we have discussed the problems of corralling a very diverse stakeholder group, the need to understand a complicated but sophisticated customer base, and have begun to touch on the needs that this agenda requires going forward.. whether it is the type of research that IFC is doing, or talking about the need for new institutions."

In conclusion, Mr Nayak said changing consumer behaviour is a very big challenge in India and stressed the importance of incentivisation as a tool to change consumer behaviour. The important learnings from the day's forum were the need to provide access and basic understanding of financial literacy programmes and products, phased standardisation and adoption of best practices, he said. Ultimately, however, results will come from implementation and if all stakeholders as a group focus on it as well as collaborate in a "meaningful and sustainable way" to drive financial literacy efforts, "wonders will happen."



SPEAKER - MUMBAI

James Crabtree

Mumbai Correspondent
Financial Times

- ▶ James Crabtree is the head of the Financial Times Mumbai bureau where he leads the paper's coverage of corporate India, having previously worked on the op-ed page as Comment Editor. Before joining the FT, Mr Crabtree was Deputy Editor at Prospect, Britain's leading monthly magazine of politics and ideas. Prior to returning to journalism, he worked as a policy advisor in the UK Prime Minister's Strategy Unit, and for various think tanks in Britain and America. He also spent a number of years living in the US, initially as a Fulbright Scholar at the Kennedy School of Government at Harvard University.



SPEAKER - MUMBAI

Uttam Nayak

Group Country Manager
India and South Asia, Visa

- ▶ Uttam Nayak is Visa's Group Country Manager for India and South Asia, responsible for building Visa's brand and business in the South Asia region, which includes India, Sri Lanka, Bangladesh and Nepal. His focus is building client relationships, and growing business volumes and sales of Visa-branded products and services. During his time at Visa, Mr Nayak has held several key roles, in functions including business development, product development and innovation, technology and security, and client relationships. He also played a key role in the development and introduction of products such as Visa Debit and Visa Prepaid in India that have driven growth in the region. Mr Nayak joined Visa in 1996 from the technology application division of the US Department of Energy. He has an Engineering degree in Electronics from Bangalore University, India. He also holds a Master of Science degree in Computer Engineering from University of Texas in the US.



SPEAKER - MUMBAI



K.C. Chakrabarty

Deputy Governor
Reserve Bank of India

► K.C. Chakrabarty has been a Deputy Governor in Reserve Bank of India since June 2009. His current assignments at the central bank include guiding and overseeing areas pertaining to Supervision of Banks, Currency Management, Financial Stability, Customer Service, Rural Credit, Human Resource Development and Administration & Personnel Management. Dr Chakrabarty represents India in the Financial Stability Board as a Member. He is Chairman of Bharatiya Reserve Bank Note Mudran Pvt Ltd. and of the Advisory Committee of College of Agricultural Banking. A seasoned banker with more than 30 years' experience in commercial banking, Dr Chakrabarty prior to his RBI appointment was Chairman and Managing Director of Punjab National Bank, which he joined in June 2007 after two years at Indian Bank. He earlier spent 26 years at Bank of Baroda, where his rose to become Chief Executive of the bank's UK operations. Dr Chakrabarty has been closely connected with various organisations such as National Housing Bank, Exim Bank and National Institute of Bank Management. He has also been associated with several committees, notably as Chairman of Committee of RBI Working Group on timely rehabilitation and flow of credit for rehabilitation, and Member of the Sub-Committee of the Central Board of Directors of RBI to study microfinance issues. Dr Chakrabarty holds a doctorate in statistics from Benaras Hindu University.



SPEAKER - MUMBAI



Thomas Davenport

Director
South Asia, IFC

► Thomas Davenport has been Director, South Asia for IFC since 2010. He joined IFC in 1993 as an Investment Officer with the Africa Project Development Facility, where he opened IFC's presence in Ghana. He then became the first General Manager of the Mekong Project Development Facility, based in Hanoi. In 2000, Mr Davenport moved to IFC headquarters in Washington as Manager in the newly established Small and Medium Enterprises Department, responsible for the oversight of IFC's facilities in this area. In 2004, he joined FIAS, the IFC/World Bank Investment Climate Department, where he led an effort to better integrate FIAS's work with IFC's regional programmes, resulting in the establishment of joint ventures in Bangladesh, the Balkans, Middle East and North Africa, and Latin America and Caribbean. In 2009, Mr Davenport joined the South Asia Department as Senior Manager, Business Development with the primary responsibility of developing IFC's business in the low-income states of India, as well as heading up the Delhi Office. Prior to joining IFC, Mr Davenport worked with a development consulting firm focused on privatisations in Africa and Asia. He holds an MSc from the London School of Economics and a BA from the University of Western Ontario.



SPEAKER - MUMBAI

Somak Ghosh

Group President
Development and Sustainable Banking, YES Bank

- ▶ Somak Ghosh is Group President, Development and Sustainable Banking at YES Bank. He oversees Development and Sustainable Banking, Inclusive and Social Banking, Government Relationship Management, Strategic Initiatives and Government Advisory, and Socially Responsible Investing. He also leads the Development Banking Group, which comprises Agriculture & Rural Banking, Food & Agri Strategic Advisory and Research, and Microfinance. He is part of the Executive Management Team at YES Bank, and a member of the Bank's Asset Liability Committee and Management Credit Committee. Mr Ghosh's deep interest in the area of sustainability has led to the rapid growth of YES Bank's Responsible Banking initiative, which focuses on mainstreaming commercial and investment banking solutions to environmental and social issues. He has also established the Bank's Microfinance business, covering lending through partner organisations and a direct intervention model, YES SAMPANN. He also initiated and spearheads the pioneering Sustainable Investment Banking division, which uses specialised domain expertise to provide focused services in Alternate Energy & Environment Advisory, Social Enterprises & Rural Advisory, and Carbon Financing & Advisory. Mr Ghosh is a member of FICCI, CII and Bombay Chamber of Commerce and Industry, among other industry associations. Prior to joining YES Bank, he was a Director with Rabo India. He has over 16 years' experience in various capacities in India and Europe and in leading organisations like ICICI Ltd, Reliance Industries, and Ispat Europe. Mr Ghosh holds an MBA in Finance from FMS Delhi and a BE in Chemical Engineering from the University of Mumbai. He is a Harvard University Advanced Leadership Fellow.



SPEAKER - MUMBAI



Nirupama Soundararajan

Additional Director, Team Lead for Financial Sector Division, Federation of Indian Chambers of Commerce and Industry (FICCI)

- ▶ Nirupama Soundararajan is Additional Director and Team Lead for the Financial Sector Division at the Federation of Indian Chambers of Commerce and Industry (FICCI). She is part of various advisory committees set up by the Ministry of Finance that are currently examining issues related to capital markets and insurance. Outside of the financial sector, her broad areas of interest are related to macroeconomics, retail, education and skill development. Prior to FICCI, Ms Soundararajan worked as Assistant General Manager – Economist in Bank of India's Department of Strategy and Economic Intelligence in Mumbai. She has also worked with the Indian Council for Research on International Economic Relations (ICRIER) where she co-authored the book *Retail in India* (July 2009) published by the Academic Foundation. Ms Soundararajan has worked extensively on the impact of organised retail on farmers. She was a visiting professor at the Birla Institute for Management and Technology where she taught Retail Management and Research Methodology. She has an MSc in Financial Economics and an MBA (Finance) from Cardiff University, UK.



SPEAKER - MUMBAI

Jayshree Vyas

Managing Director, SEWA Bank, and Executive Director, Indian School of Microfinance for Women

- ▶ Jayshree Vyas, a professionally qualified chartered accountant, has been working as the Managing Director of SEWA Bank, Ahmedabad, since 1986. The bank has more than 200,000 women clients. During her tenure, she has taken active steps to introduce and operate an integrated social security scheme for women working in the informal sector. This scheme – the first in India – has covered more than 150,000 women in three years. Ms Vyas has also devised and implemented various technical and housing finance schemes that have been accessed by over 20,000 poor women. She has introduced, organised and managed savings groups of poor women in more than 5,000 villages in nine districts of Gujarat. This scheme has helped more than 150,000 women start saving for the first time in their lives, and provided credit facilities to help them come out of poverty. Ms Vyas has also prepared training modules and manuals for the running of effective saving and credit programmes by various national voluntary organisations. She is the Executive Director of the Indian School of Microfinance for Women, a Board Member of Women's World Banking, a Member of the Task Force on Housing Finance for the Poor, and a Board Member of National Housing Bank.

SPEAKERS – NAIROBI

Hannes van Rensburg. Group Country Manager, Visa sub-Saharan Africa, and Chief Executive and Founder, Fundamo

Katrina Manson. East Africa Correspondent, Financial Times

Matu Mugo. Assistant Director, Bank Supervision, Central Bank of Kenya

Fikile Kuhlase. Senior General Manager, Socio-Economic Growth and Development Division, Banking Association South Africa

Jennifer Riria. Group Chief Executive, Kenya Women Holding

Ravi Ruparel. Senior Policy Adviser, Financial Sector Deepening Kenya

Ewan Wheeler. Private Sector Specialist, African Development Bank

VISA-FT FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies



SUMMARY REPORT – NAIROBI

VISA-FINANCIAL TIMES FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies

The second Financial Literacy forum hosted by Visa and Financial Times on financial education in emerging economies carried forward the agenda set at the inaugural event in Mumbai with invigorating discussions in Nairobi about the challenges faced in East and Southern Africa.

The opening address by Hannes van Rensburg, Group Country Manager, Visa sub-Saharan Africa and Chief Executive and Founder, Fundamo, highlighted the relevance of the topic in a continent that is the second fastest growing region globally, but where a large percentage of the population does not have financial skills to make the most of modern financial systems.

He said Visa plans to reach 20 million people by 2013 through its financial education programmes. Giving examples, he said Visa reaches out to students through universities in Kenya and conducts industrial theatre road shows in Kenya, Rwanda, Zambia, Botswana and South Africa. Elaborating on innovative ways to deliver financial literacy messages, he spoke about Visa using soccer, a game popular across all age groups in Africa, to spark interest in its Financial Football online game. He also pointed out Visa's partnership with Marvel Comics to deliver literacy messages and its 'Taxi Music Programme' where compact discs with popular music interspersed with educational programmes were given to taxi drivers.

Katrina Manson, East Africa Correspondent, Financial Times, in her introduction, highlighted the contrast between African countries – for example, Kenya ranks third in banking penetration in sub-Saharan Africa while Congo has banked less than one per cent of its population.

Speaking about the divergent experience of Kenyan consumers with banks and capital markets, Ms Manson said there were fears of a credit bubble after a spectacular take off in private sector borrowing. The Central Bank and Banking Association then forced banks to narrow their spread and reschedule debt. Thus, a solution was found in the larger interest of the sector and the public.

On the other hand, when mobile phone operator Safaricom was floated, it captured popular imagination but the stock didn't perform as well as expected, severely impacting investor sentiment. While the fundamental flaw was the investors' approach of treating the capital market as a "place to make money" and not carrying out any background checks or researching investment opportunities, lack of financial education led them to believe that investing was a risky proposition and they stayed away from the capital market, even when the time was ripe for stock picking.

In his keynote address, Matu Mugo, Assistant Director, Bank Supervision, Central Bank of Kenya, said central banks have begun to drive financial inclusion efforts, as their primary goal of price and financial stability cannot be achieved when a majority of the populace has limited access to financial services.



To this end, the Financial Sector Deepening Trust Kenya, supported by the Central Bank, formed a public-private partnership, the Financial Education and Consumer Protection Partnership (FEPP), in 2009 to develop a national financial education strategy for Kenya. Phase one of this initiative saw the rollout of four pilot projects, which are currently being evaluated for their efficacy, he said.

Financial inclusion initiatives over the last five years have enhanced the level of banked adult population to 42 per cent, as estimated by the World Bank, from 23 per cent as per the Financial Access Survey in 2009. "We believe that Kenya has achieved access goals... but is still very far as usage and quality are concerned and it is only by driving up the latter two that we can translate increased financial access to economic development," he said.

In a riveting Q&A session, Mr Mugo highlighted the central bank's efforts to lower the current high cost of borrowing. Apart from giving customers access to credit information helping them to access loans at lower rates, the bank is also addressing issues like the cost of doing business and cash in transit for banks, while at the same time deepening capital markets to offer competition to banks, he said.

On consumer protection, he said the 2010 constitution guarantees Kenyans the right to be treated fairly and while a broad Consumer Protection Bill is under discussion, the Central Bank has developed Consumer Protection regulations in the interim that address this issue.

"In terms of products, Kenyans want a whole suite of financial products beginning with payment systems to insurance, pensions and we need to make these available at affordable rates," he said. Regarding products for the sub-19 age group, which forms close to 60 per cent of the Kenyan population, he said efforts are being made to create identification for them and to reduce documentation required to fulfil anti-laundering requirements.

Responding to a suggestion on directing banks to keep aside a percentage of their profit for financial literacy, Mr Mugo said he would prefer to see funds flow in as a market-driven outcome.

As part of the panellists' introduction to their organisations' initiatives, Ravi Ruparel, Senior Policy Adviser, Financial Sector Deepening Kenya, outlined several elements, including the setting up of FEPP, supporting a television play series, and using different modes like a peer-to-peer model for youth, trainer-of-trainers for customers of financial institutions, and role-model approaches using teachers who set up savings clubs in schools.



Jennifer Riria, Group Chief Executive, Kenya Women Holding, said financial programmes need to ensure access, financial justice and financial education. She also spoke about the importance of measuring the double bottom line, monitoring, reporting and self-regulation; and said the industry needs to investigate why certain groups or communities are financially excluded.

Ewan Wheeler, Private Sector Specialist, African Development Bank, said AfDB has a number of programmes supporting entrepreneurship, financial education, social finance and development. Its Growth-Oriented Women Enterprise (GOWE) promotes women entrepreneurs and 'Making Finance Work For Africa' partnership facilitates financial sector development and knowledge sharing in Africa.

Mr Wheeler said consumer protection is an important action point, especially as people who took loans during the low interest rate environment in Kenya are now vulnerable, as rates have increased dramatically. "If people don't have decent experiences, they will not take up loans in the future," he said.

Fikile Kuhlase, Senior General Manager, Socio-Economic Growth and Development Division, Banking Association South Africa, said her country is still characterised by economic dualism and the second economy, consisting of a marginalised population that continues to faces challenges of poverty, inequality and unemployment. Underscoring the importance of financial education to South Africa, she said while its banks rank second in the world for soundness according to the Global Competitiveness Report 2011/12, the usage of financial products and services is inadequate. Also, the nation has a low savings rate, low literacy levels and high indebtedness.

Ms Kuhlase said each country needs to identify which stage of the financial literacy continuum it is at and devise financial education and inclusion interventions accordingly. However, monitoring and evaluation in the financial education sector lack depth overall and institutions need to play a bigger role in this area, she added.

Deliberating on ways to improve the effectiveness of financial education programmes, Ms Riria suggested formation of specific institutions for interest groups like women and said it is important to first identify the needs of the client and then develop products and services around that.

Mr Ruparel said financial training does not have to necessarily precede financial inclusion and it could be linked to specific products rather than being generic.



While most of the speakers mentioned that experience-based financial literacy programmes are better received, Mr Ruparel said they are using this insight on products to drive literacy programmes “so if it is teaching savings and transactions, it is best taught by a member of a CHAMAS (savings club)” whereas if it is an insurance product, it is best accepted if there is a role model in the village, he said.

In order to promote usage of formal financial systems, FSD Kenya’s ‘Hunger Safety Net Programme’ a cash transfer programme to aid the food-insecure, uses an innovative model of giving beneficiaries a point of sale card linked to a bank. “With that start of linking them to a formal payment system, you can include more people,” he added.

Ms Riria said institutions providing funds to the microfinance sector should also be financially responsible. They need to ensure that while the consumer receives the benefits due, systemic inefficiencies are not passed on. It is imperative to find an intersection between objectives of fund providers and the goals of microfinance institutions. “The way we are approaching this is we are asking for social performance measurement,” she added.

In a discussion regarding delivery media, Ms Riria said social media could be a potentially strong medium in Kenya as most of the youth, even in rural areas, have handsets and are in touch with social media sites, while Ms Kuhlase said South Africa has developed its ‘Teach Children To Save’ programme material in a manner that stimulates dinner conversations between parents and children.

Summing up, Ms Manson pointed out that the conference had many “teachable moments” ranging from reducing banking spreads to increasing actual usage of financial products and services as well as ploughing a portion of banks’ profits into financial literacy efforts. A significant learning is that while access, usage and quality of finance are important, research as well as monitoring and evaluation of existing initiatives are equally critical to the success of any financial education programme.

In conclusion, Mr van Rensburg underlined the participants’ observation that formal, classical training in financial inclusion is the wrong way to go and “people ultimately need experiences to talk about.”



SPEAKER - NAIROBI

Katrina Manson

East Africa Correspondent
Financial Times

- ▶ Katrina Manson is East Africa correspondent for the Financial Times. Based in Nairobi, she covers news, analysis, politics, business and culture from 13 countries for the paper. She was previously Reuters correspondent in DR Congo, Tanzania, Sierra Leone and Burkina Faso, and editor of Africa investor magazine. She has also written for international newspapers and magazines from west and north Africa and from Afghanistan. She is co-author of several guidebooks, including the Bradt Travel Guides to Burkina Faso and Sierra Leone. She is a prize-winning scholar with a double first in History and Politics from Balliol College, Oxford University.



SPEAKER - NAIROBI

Hannes van Rensburg

Group Country Manager
Visa sub-Saharan Africa
and Chief Executive and Founder, Fundamo

- ▶ Hannes van Rensburg is the Group Country Manager for Visa sub-Saharan Africa. He is also Chief Executive and Founder of Fundamo, a Visa company. Fundamo is the leading supplier of technology for mobile banking and payment deployments. Mr van Rensburg is responsible for the strategic development, stakeholder relations, and business performance for Visa sub-Saharan Africa. Before founding Fundamo, Mr van Rensburg held various executive positions in large financial services companies, as well as being a co-founder of a successful technology start-up – Infomet – which was bought by IBM in 1994. He consulted at some of Africa's largest corporations, including banks, telecommunications companies and retailers, and has more than 30 years of systems management experience. Mr van Rensburg is the author of a widely read blog on mobile banking and an active participant in mobile banking conferences. Having launched the first mobile banking solution in 1999, he is often seen as the pioneer of mobile banking. He holds degrees from three South African universities and is one of the founding members of the Cape IT Initiative (CITI).



SPEAKER - NAIROBI



Matu Mugo
Assistant Director
Bank Supervision
Central Bank of Kenya

► Matu Mugo leads teams at the Central Bank of Kenya responsible for the review and development of policies to promote safe, affordable and inclusive financial services. He has held various positions in the Bank Supervision Department over the last 12 years. He has been involved in the development of legal and regulatory frameworks for sharia compliant banking, microfinance, mobile financial services, credit information sharing, and agent banking. Before joining the Central Bank of Kenya, Mr Mugo worked as an auditor for KPMG, the international audit and consultancy firm. He holds First Class Bachelor of Commerce (Accounting) and MBA (Finance) degrees from the University of Nairobi and is a certified public accountant. Mr Mugo was a Fellow of the Financial Inclusion Leadership Program at the Fletcher School of Law and Diplomacy, Tufts University, US in 2011.



SPEAKER - NAIROBI



Fikile Kuhlase

Senior General Manager
Socio-Economic Growth and Development Division
Banking Association South Africa

► Fikile Kuhlase is Senior General Manager of the Socio-Economic Growth and Development Division of the Banking Association South Africa, a membership association of 34 local and international banks operating in South Africa. As the Senior GM, Ms Kuhlase is tasked with catalysing change and transformation in the banking industry by promoting financial inclusion in the low-income and 'non-traditional' markets. Her areas of responsibility are Financial Inclusion, Small and Medium Enterprise (SME) Development, Financial Literacy and Corporate Social Investment. Her inspiration is to democratise finance and demystify banking. Knowledge management and generation are also of keen interest. Mr Kuhlase is passionate about development and has over 20 years' development experience in South Africa, spanning the private and public sectors, as well as multilateral organisations. She is a published socio-economic development practitioner. She is also a Senior International Fellow of the Graduate Center, City University of New York, Center on Philanthropy and Civil Society. She has a Master's degree in Management (Public and Development Management) cum laude from the University of the Witwatersrand. She holds a BA (Honours) in Social Demography from the University of Pretoria, a BA Social Science with majors in Economics and Statistics from the University of Swaziland, and a Post-Graduate Diploma in Development Planning Techniques from the Institute of Social Studies in the Hague, Netherlands. In May 2011, she graduated from the Advanced Management Program (AMP) of IESE Business School of the University of Navarra, Barcelona.



SPEAKER - NAIROBI



Jennifer Riria

Group Chief Executive
Kenya Women Holding

- Jennifer Riria is the Group CEO of Kenya Women Holding. She is a distinguished as a microfinance banker and practitioner, researcher and gender specialist. She has served in many leadership roles for which she has been recognised locally and internationally. She is an institutional builder who focuses on institutions that empower, position and advocate for the majority, especially women and their families. She is the board chair at Women's World Banking (WWB), Association of Microfinance Institutions (AMFI), Africa Microfinance Action Forum (AMAF), and the Tuvuke Initiative. In the past, Dr Riria played a major role in the reconstruction and positioning of National Hospital Insurance Fund, Post Bank, National Bank, and institutions of higher learning.



SPEAKER - NAIROBI



Ravi Ruparel

Senior Policy Adviser
Financial Sector Deepening Kenya

► Ravi Ruparel is a Senior Policy Adviser with the Kenya Financial Sector Deepening Programme (FSD Kenya). FSD Kenya was established in 2005 to support the development of financial markets in Kenya in order to stimulate wealth creation and reduce poverty. Working in partnership with the financial services industry, FSD Kenya's goal is to expand access to financial services among lower-income households and smaller enterprises. It operates as an independent trust funded by the Government of Kenya, the UK's Department for International Development (DFID), the World Bank, the Swedish International Development Agency (SIDA), Agence Française de Développement (AFD) and the Bill and Melinda Gates Foundation. Mr Ruparel has been working with FSD Kenya on a range of issues including long-term strategy, financial sector policy and financial literacy. He previously worked with the World Bank as a Senior Financial Sector Specialist and with Deloitte Emerging Markets as a Senior Manager. He has 23 years of international development experience and a proven track record in providing support to governments and development partners in 35 countries. He holds an MBA from the University of California Berkeley.



SPEAKER - NAIROBI

Ewan Wheeler

Private Sector Specialist
African Development Bank

- ▶ Ewan Wheeler is the representative of the African Development Bank's private sector investment arm in Kenya. He worked in Tunis for the AfDB for two years before arriving in Kenya in 2009. Since then he has successfully closed several investments in a number of sectors across the region. Prior to the AfDB, Mr Wheeler spent five years with the investment bank Merrill Lynch based in London and New York, as well as with the Economist Intelligence Unit in London. He earned his first degree from the London School of Economics and then a Master's from the School of Oriental and African Studies in London.

SPEAKERS – DUBAI

Kamran Siddiqi, General Manager, MENA, Visa

Michael Peel, Middle East Correspondent, Financial Times

Fatma Al Marri, CEO, Dubai Schools Agency

Nima Abu-Wardeh, Founder, Cashy and Campus Cashy

Craig Hewett, Senior Vice President and Head of Business Development, NASDAQ Dubai

Clare Woodcraft, CEO, Emirates Foundation



SUMMARY REPORT – DUBAI

VISA-FINANCIAL TIMES FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies

The third Financial Literacy Forum in the series hosted by Visa and Financial Times was held in Dubai on 17 October 2012. Discussions by panel members brought out the need to address deeply-rooted social values in order to promote financial education in wealthy economies like the UAE.

In his opening address, Kamran Siddiqi, General Manager, MENA, Visa said the company was working with the UAE's Ministry of Education to implement its financial curriculum in schools. It has also developed teaching aids and designed a personal finance course for people who have left home for the first time or are freshmen at a university.

Visa's *Global Financial Literacy Barometer*, which ranked financial literacy levels across 28 nations, indicated parents in UAE are more likely to promote financial literacy among children compared to most wealthy countries. However, 70 per cent of Emiratis surveyed did not have funds to survive a personal economic crisis lasting more than three months.

Mr Siddiqi referred to a programme developed by Visa and the Union of Kuwaiti Banks that helps consumers deal with debt-related problems and also ehsib.com, a financial literacy website aimed at the Arab audience.

Keynote speaker Fatma Al Marri, CEO, Dubai Schools Agency, pointed out instances of profligacy in daily acts like shopping. "I notice our kids never look at the price tag on anything they want to buy – they just pick up what they want and parents happily pay for it without discussing the price." As a result of such behaviour, today's youth is not aware of the value of money.

Schools, too, do not give financial education the importance it deserves. A narrow range of topics, infrequent lectures and lack of an evaluation system are areas for concern.

Teachers need to be trained, counsellors appointed and a long-term policy adopted. A few effective initiatives are school shops management, virtual stock trading and IT equipment procurement by students as well as the local Young Entrepreneur Competition, she said.

However, it is important for parents to set the right example. "Emiratis have become big consumers - for example, during Ramadan when we are supposed to save and help the poor, we are instead consuming and wasting tons of food. These are lessons that kids are seeing and absorbing. If parents work in an intelligent way to demonstrate how to use, save and manage financial resources through everyday life, it will be a good lesson for children," she said.

Pointing to a media report that said a majority of loan defaulters are under the age of 30, she emphasised the need to examine how banks and companies are persuading people to borrow or buy more. "In one case, a man had to pay 16,000 dirhams monthly to the bank, whereas his salary was only 10,000 dirhams a month," she said.

Nima Abu-Wardeh, Founder, Cashy and Campus Cashy, said social media platforms

VISA-FT FINANCIAL LITERACY FORUM SERIES

Exploring the challenge of financial education across emerging economies



promoting financial literacy in the Arab world are “about catering to (people’s) needs as opposed to pushing information we think they must know.”

With offline elements like town hall meetings, Cashy attempts to address real-life problems people face in understanding finance and related decision-making. “The literature is out there, but for us it is about breaking it down into manageable, bite-sized daily things that you can do to make your life better,” she said.

In this spirit, Cashy decided to focus on one thing at a time – an example being “UAE Saves Week”. Each day had a theme like ‘Pack your lunch Monday’. She said initially people might spend the lunch money on other things but, gradually they would begin saving and investing it.

A joint survey with YouGuv revealed financial pressure as the single biggest source of stress for UAE residents. Three in 10 people are unable to save anything, half would not survive two months and a quarter could not last a month without a job. Nima said she was surprised by some people’s view that they should ‘seem to be generous.’ “But it means spending money that you don’t have,” she said.

The learning, she said, is that successful financial education in UAE would mean redefining generosity, wealth and love. Deeper issues of social ethos need to be addressed in order to bring about financial awareness and wellbeing.

Clare Woodcraft, CEO, Emirates Foundation, said that since financial literacy is about broader societal issues, the Foundation has shifted from short-term grant-giving to long-term social investment programmes.

It is also looking at launching a national platform across the UAE to “provide some glue” and bring together some existing initiatives like the Dirhami campaign by Abu Dhabi Islamic Bank and others by Visa.

The Foundation brought together a large range of interested organisations – for example the Abu Dhabi police, which are extremely concerned about the social implications of a lack of financial literacy; The Marriage Fund; the Family Development Fund; and the Abu Dhabi Council for Economic Development. “So, it is interesting to see the number of institutions coming together and saying this affects us too,” Ms Woodcraft said. However, the Foundation needed more support from banks.

Replying to a question on why banks were not more co-operative, she said that banking is an extremely competitive industry and some banks are reluctant to participate due to the collaborative nature of the effort. But they need to move away from the idea of a competitive branding opportunity and realise that the objective is to create systemic change that benefits all.



Craig Hewett, Senior Vice President and Head of Business Development, NASDAQ Dubai, said there are half a million retail investors with trading accounts on the Dubai Financial Market, showing that an investment culture exists in Dubai. However, with construction, banking and finance stocks being dominant, sectoral diversification opportunities are scant. The bond market, on the other hand, is very active with sukuks or Sharia compliant bonds being promoted by banking institutions.

Mr Hewett said capital markets are driven by entrepreneurship, especially in the IPO space, adding that the SME sector can be a major catalyst for change. There are 72,000 SMEs in Dubai alone and 95 per cent of employment rests with the SME sector.

However, there is very little knowledge among entrepreneurs on accessing capital markets. Hence, NASDAQ Dubai and Dubai SME 100 have developed a very basic course on floating an IPO for small and medium enterprises.

Mr Hewitt emphasised the need for a framework to support capital markets. "For me, the capital market is something that needs to be sustainable. So, the youth of UAE need to invest in their economy and so do the banking and the infrastructure sectors," he said.

On a question about youth-specific initiatives, Ms Abu-Wardeh said Campus Cashy helps young people create content and share stories for a more effective learning experience. "If you really want to know what young people want and are saying, we can tell you, and it might be very far removed from what you as a parent want to know or believe is the case," she added.

She pointed out that the corporate world tends to focus on things like tools rather than the end result in terms of promoting a savings culture or re-defining relationship with money. Even banks are encouraging people to take loans rather than save for their needs. Financial literacy programmes should in fact ask individuals questions like 'what kind of life do you want?' and force them to consider the means of achieving it. Consumers need to be shown the importance of fiscal responsibility and accountability, she added.

An audience member agreed, saying one of the key aspects of financial literacy is not encouraging over-indebtedness, especially for owners of SMEs, who take on debt without realising its implications.

Michael Peel of the FT summarised the three lessons from the day's discussions – the importance of teaching the value of money in any wealthy society, the need to realise investment potential and entrepreneurship in the Arab world, and the necessity of synchronising currently fragmented financial literacy efforts so that broader lessons learnt by one agency are useful to others as well.

FINANCIAL LITERACY FORUM SERIES

challenge of financial education across emerging economies



SPEAKER - DUBAI

Michael Peel

Middle East Correspondent
Financial Times

► Michael Peel has been Middle East Correspondent at the Financial Times since January 2011. He is based in Abu Dhabi and has travelled widely in the region, including covering the Egyptian uprising and civil wars in Libya and Syria. Mr Peel joined the Financial Times in 1997 as a graduate trainee and has held various roles in the UK and as a foreign correspondent. Between 2006 and 2011, he was the FT's Legal Correspondent, a role that included covering financial crime. Prior to that, he was the FT's West Africa Correspondent, based in Lagos and covering events across the region, including civil wars in Liberia and the Ivory Coast. Mr Peel has written extensively on international corruption and on resource conflict, both in the FT and outside. During a one-year associate fellowship at Chatham House in London, he wrote *Nigeria-Related Financial Crime and its Links with Britain* (2006), which was covered widely in the Media. His first book, *A Swamp Full of Dollars: pipelines and paramilitaries at Nigeria's oil frontier* (2009), was short listed for The Guardian's first book award and nominated for the Orwell Prize for political writing. Mr Peel graduated from Trinity College Oxford with a first class degree in Chemistry.



SPEAKER - DUBAI

Kamran Siddiqi

General Manager
MENA, Visa

- ▶ Kamran Siddiqi is the General Manager for the Middle East & North Africa (MENA) for Visa Inc, overseeing Visa's sales and client service functions across the region which includes the GCC, Levant, Pakistan, Egypt, and North and Francophone Africa. Based in Dubai, Mr Siddiqi is responsible for developing the electronic payment industry across more than 42 markets, as well as cultivating the relationship with Visa's clients, including financial institutions and government authorities. Before joining Visa in 2003, Mr Siddiqi, an industry veteran, worked with ANZ Banking Group as the Managing Director for its Emerging Business, based in Melbourne. At ANZ, he led the domestic cards and International Consumer Finance businesses, and held responsibility for the bank's broader retail agenda in Asia. Mr Siddiqi also worked for Citibank for many years in markets across Asia Pacific, including Singapore, Thailand and Pakistan, where he held various Corporate, Retail and Cards positions. Mr Siddiqi holds an MBA from the Asian Institute of Management in the Philippines.



SPEAKER - DUBAI

Fatma Al Marri
CEO
Dubai Schools Agency

► A former school teacher and principal who is now a policy maker and thought leader, Fatma Al Marri has been involved in all facets of education. As CEO of the Dubai Schools Agency, she has played a major role in innovating teaching and learning in Dubai's public schools. Using evidence-based indicators to achieve holistic, community-minded goals, Ms Al Marri has helped to change the culture of education in government schools. One of her main objectives is supporting students enrolled in private education in Dubai. Her priorities lie in helping Emirati parents make confident, informed choices for their children's schools, promoting Emirati national identity in private schools and recruiting more Emirati teachers to the private education sector. From 2007 to 2011, Ms Al Marri was one of nine women appointed as a member of the Federal National Council (FNC), serving on its educational policies committee and working with ministries on education-related concerns. She envisions an education landscape where all schools in Dubai work together. "It's true that techniques and approaches are different," she says, "but this is something we should take advantage of. We all have the same objectives, after all."



SPEAKER - DUBAI

Nima Abu-Wardeh

Founder
Cashy and Campus Cashy

► Nima Abu-Wardeh is a bilingual English Arabic broadcast journalist specialising in Arab issues. She presents BBC World's weekly business and finance programme, Middle East Business Report (MEBR), and was part of the team that set up the programme. She has also reported, produced and presented programmes for Al Jazeera and Dubai's Business Channel. Before joining MEBR, Ms Abu-Wardeh was a regular guest on BBC Radio 4's *Four Corners* addressing Arab issues, and a guest on BBC World's Dateline London as a regional expert. Ms Abu-Wardeh is also the founder of cashy and campus cashy. Cashy is the first dedicated personal finance social media platform in the Arab world. It provides real world suggestions and solutions on a wide range of subjects that help individuals manage their money in all aspects of their lives. Campus cashy engages youth to think about the role of money in their lives. Ms Abu-Wardeh is regarded as an opinion leader and is approached by think-tanks, the corporate world and government organisations for her insight. She has written opinion pieces for Forbes Arabia and has taught media courses at Zayed University in the UAE as a visiting lecturer. She regularly chairs, and is a speaker at, regional and global gatherings, notably the World Economic Forum and the Arab Business Council meetings, as well as other events. Ms Abu-Wardeh is keen to encourage talent and the region's youth and has helped create competitions that serve this purpose, such as the Scintilla Monaco poetry competition. She also enthusiastically promotes Arab culture, identity and unity. She has been a member of the Arab Thought Foundation's Advisory Committee as well as a board member of the World Congress for History Producers. Ms Abu-Wardeh has received awards for excellence from regional businesses and communities. She won the first Oxford Alumni debate to be held in this region, in June 2009. She is a Young Arab Leader.



SPEAKER - DUBAI

Craig Hewett

Senior Vice President and Head of Business Development
NASDAQ Dubai

- ▶ Craig Hewett is Senior Vice President and Head of Business Development at NASDAQ Dubai. He has responsibility for the commercial activities of the exchange including product and market development, membership, training and market data. Prior to joining NASDAQ Dubai in July 2011, Mr Hewett was Chief Business Officer of the Bahrain Financial Exchange from 2008. He has international expertise in trading a variety of asset classes, with a particular focus on derivatives. As Deputy Commercial Director of the London Metals Exchange (LME) which he joined in 2000, Mr Hewett was responsible for new business expansion, focusing on revenue development, the commercialisation of key business activities and ensuring the exchange achieved its growth strategy. Prior to joining the LME, Mr Hewett held numerous positions with organisations such as Xerox, where he was involved in developing sales and marketing strategy for a number of products and services. He holds a BA (Hons) in Business Studies and an MBA from Newcastle University. He has lectured regularly on hedging and managing price risk on the LME.



SPEAKER - DUBAI

Clare Woodcraft

CEO
Emirates Foundation

► Clare Woodcraft is Chief Executive Officer of Emirates Foundation, responsible for driving its vision of supporting youth development in the UAE. She is mandated to focus the Foundation on delivering positive and permanent impact on the lives of young people in the country. Emirates Foundation is an early regional adopter of venture philanthropy, which calls for a shift from short-term grant-making to long-term, measureable and financial viable social investment. Ms Woodcraft brings to Emirates Foundation over 18 years of experience working in the field of sustainable development, primarily out of emerging economies. She worked first as a development practitioner, then as a journalist, and then as a corporate executive specialising in the areas of social investment, government relations and communications. Prior to joining Emirates Foundation, she was Deputy Director of Shell Foundation, assigned to strengthen relations with social enterprises and address global development challenges. In her earlier capacity as Regional Director of Communications for Shell in the Middle East and North Africa, she led a team of over 50 communications professionals across 14 countries. She was tasked with managing the oil major's social investment portfolio in the region and addressing issues related to sustainability. Ms Woodcraft also headed Visa International's public affairs arm in emerging markets that saw her working closely with governments and financial sectors in the Middle East, Africa and Eastern Europe. Prior to relocating to Dubai, Ms Woodcraft worked in Palestine as a consultant for various development agencies and contributed to several literary studies on the issue of development in a non-sovereign nation. Author of a substantial body of work, she was also Finance Editor of the Middle East Economic Survey and the Oil & Gas Journal. Ms Woodcraft holds a Bachelor's degree from Salford University in the UK and a Master's in Development from the London School of Economics. She is fluent in English, Arabic and French.

ORGANISER

FINANCIAL TIMES | Global
LIVE Conferences & Events



Financial Times Live, the global conferences and events arm of the Financial Times, gathers pre-eminent public and private sector decision-makers, visionaries and strategists from the world's most important economies and industries for a wide range of interactive, agenda-setting programmes that combine the power of on-site discussion and networking with the flexibility of live-streamed broadcasting. Chaired by senior journalists from the Financial Times, the world's leading business newspaper, the summits, conferences and strategic forums organised by Financial Times Live provide audiences attending either in person or remotely with the opportunity to listen to and interact with speakers of the highest calibre in lively and stimulating debates that cover the key issues of our time.

The Financial Times (FT) is one of the world's leading business news and information organisations, recognised internationally for its authority, integrity and accuracy. We are trusted to provide extensive news, comment, data and analysis to the global business community. The FT newspaper is printed at 23 print sites across the world and has a combined paid print and digital circulation of approx 600,000 (Deloitte assured, Q3 2012), including a global print circulation of 287,895 (ABCs, September 2012). FT.com has over 5 million registered users. The FT has a combined print and online average daily readership of 2.1 million people worldwide. (PwC assured, May 2012). www.ft.com

ORGANISER



Visa has been working for more than a decade to provide financial education in markets around the world. We recognize the importance of not only providing high-quality personal finance materials to those who need it, but of also being a leader in advancing the cause of financial literacy with financial institutions, NGOs and with policy makers. Through research, policy forums and advocacy, Visa is on the forefront of the movement to make sound money management a universal skill – ensuring that people thrive, not just survive.

Visa is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable digital currency. Underpinning digital currency is one of the world's most advanced processing networks—VisaNet—that is capable of handling more than 20,000 transaction messages a second, with fraud protection for consumers and guaranteed payment for merchants. Visa is not a bank, and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: Pay now with debit, ahead of time with prepaid or later with credit products. For more information, visit www.corporate.visa.com

