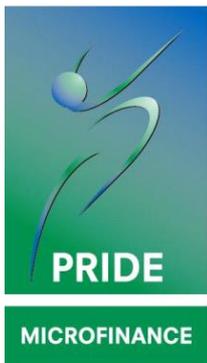


PRIDE MICROFINANCE LIMITED (MDI)

Customer Loyalty; Repeat Borrowers for Customer Retention:

1. Customer retention in **Pride** refers to the activities and actions we take to reduce the number of customer exits/attrition.
2. Pride has maintained a monthly retention rate of above 95% for the past 3 years which has also been manifested in the increasing profit trend for the last 3 financial years. 69.6% of our Borrowers only access credit from Pride.
3. Customer retention begins with the first time customers and continues through out the entire lifetime.

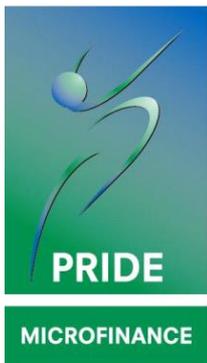
“Your growth is our pride”



What is done for new savers?

- Savings mobilization support by driving change at the frontline through a consistent needs based selling process to support relationship building with all clients through a 2 by 2 by 2 approach.
 - ✓ *2 days after account opening, call customer to thank them for their business.*
 - ✓ *2 weeks after account opening, follow-up to ensure their MPB works, they have received their ATM card, savings card etc...*
 - ✓ *2 months after account opening, call to find out if all is okay and if there is anything else a customer wants to be helped with.*

“Your growth is our pride”



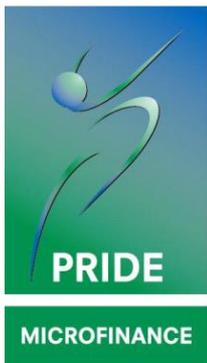
PRIDE MICROFINANCE LIMITED (MDI)

SERVICE PHILOSOPHY

Defined by the ‘**SAVE**’ model; A modern take of service that drives from clients’ needs based on the 4 pillars of;

1. **Solution instead of product** – Provides market driven offers.
2. **Access instead of place** – consider the full purchase journey instead of focusing on individual locations.
3. **Value instead of price** – accent on the value as opposed to sources of pricing.
4. **Education instead of promotion** – provide information useful for customer’s decision making at each point of the service cycle.

“Your growth is our pride”

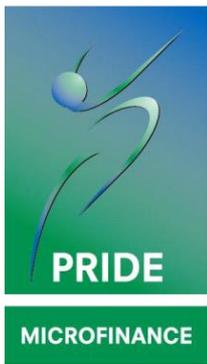


PRIDE MICROFINANCE LIMITED (MDI)

Why do borrowers leave Pride?

1. Credit does not sufficiently help customers achieve their goals.
2. Customers are being **negatively affected** and are having difficulties making payments.
3. Stringent or prohibitive Product/service features, policies & terms.
4. Customers find alternative forms of financing or they are self-financed.
5. Customers are resting from borrowing.

“Your growth is our pride”

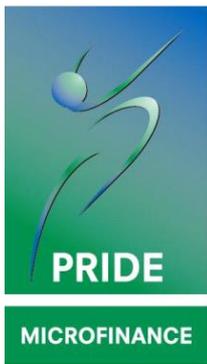


PRIDE MICROFINANCE LIMITED (MDI)

Initiatives used for Repeat Borrowers

- 1. Adopted a Customer Centricity model** where the customer is the center of the ecosystem.
- 2. Leverages on data analytics** to study more about the customer trends & predict their future financial needs.
- 3. Embraced client Journey Maps through the ecosystem &** appreciate how clients view our processes through their own lens and the pain clients go through to access financial services.
- 4. Incorporated digital financial services** for clients' convenience

“Your growth is our pride”



PRIDE MICROFINANCE LIMITED (MDI)

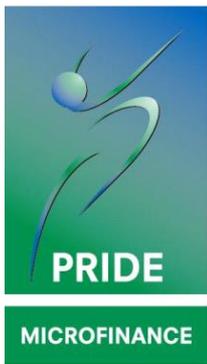
Initiatives used for Repeat Borrowers Contd.

5. Mystery Shopping: We monitor service delivery rigorously to repeat borrowers through mystery shopping & look for “instances when we speak one thing and are doing another thing”.

6. Transparency & financial education: staff and clients are trained and explained the products in a way that there can be no doubt that a client understands.

7. Deep Diving into Branch Operations: Senior Managers together with Strategic Business unit heads are annually assigned branches and they spend a full week working in the branch.

“Your growth is our pride”

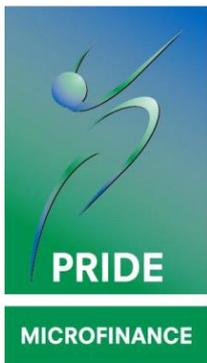


PRIDE MICROFINANCE LIMITED (MDI)

Observed benefits of client retention

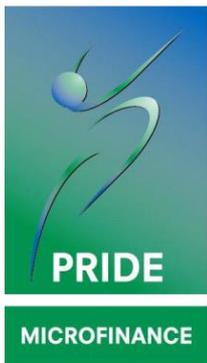
1. **Cornerstone for efficient Business growth**: Through the graduation principles, **Pride** maximizes growth and profit potential as loan sizes increase over time.
2. **Efficient client mobilization**: Realizes marketing returns through less product sensitization to repeat borrowers.
3. **Advocacy Benefit**: Repeat borrowers help in peer references and community based marketing through word of mouth.
4. **Enhanced credit decision making**: Because of past loans history, financing decisions for repeat borrowers tend to be quicker and swift. This is fundamental with the credit scoring platforms.
5. **Better credit risk management**: We collect **client data** at the point of business commencement which enhances risk assessment.

“Your growth is our pride”



The Potential pitfalls

- **Building of false credibility:** Clients with an aim of defaulting at higher amounts can keep borrowing and paying back with an aim of growing loan principles for future default.
- **Relaxation in loan appraisals:** Due to the built trust, credit officers sometimes relax their appraisal for repeat borrowers which leads to loss were clients credibility has reduced.
- **Emerging pitfalls due to reliance on data analytics:** Use of data analytics comes with its challenges such as potential data security and customer privacy risks.



PRIDE MICROFINANCE LIMITED (MDI)

Conclusion

- In conclusion, loyal customers offer great feedback and suggestions for business since they understand our operations and processes which will lead to all the above highlighted advantages but the institution growth strategy should not be limited to it alone.

“Your growth is our pride”