Designing finance for the 38 million

Seven years. Eleven cohorts. Thirty-seven products. How the SIDFS Product Innovation Lab turned Nigeria's financial inclusion policy into things people actually use.

37

Products designed and piloted

21

Live in the market today

11

Cohorts, Lagos to Kano

₦2.5B

Credit reaching MSMEs and women through Lab products

25k

Customers on Regxta alone, growing 400%

98%

Of HerMoni borrowers are women

Nigeria's exclusion problem was never a shortage of policy. It was a shortage of products worth using. The Lab exists to close that gap. This is the record of what closing it has produced.

Why a lab, and why this one

CONTEXT AND MANDATE

Nigeria has had a National Financial Inclusion Strategy since 2012, revised twice. It has a regulatory sandbox, agent banking guidelines, a collateral registry and a digital finance policy. What it has not had, consistently, is institutions with the method and the incentive to design for low-income customers.

The consequences are unevenly distributed. Roughly 38 million adults, about 26% of the adult population, sit entirely outside formal and informal finance. Exclusion is highest among women, rural households, youth and informal workers; in parts of the North-West and North-East, female exclusion runs past 60%. Mobile money boomed in the cities and barely registered in the villages.

The Sustainable and Inclusive Digital and Financial Services (SIDFS) initiative was established at Lagos Business School to sit in the gap between research, regulation and the market. The Product Innovation Lab is its market-facing arm: the place where a policy target becomes a product brief, a design sprint, a pilot, and eventually a customer.

The premise is testable, and the Lab has now tested it eleven times: institutions given structured design support, market intelligence, regulatory guidance and honest peer feedback build better products than institutions experimenting alone. Better products reach the market more often. Products that reach the market include people.

FOUR FOUNDING PILLARS

Design rigour

Human-centred design applied to financial products, built from the user's view rather than the institution's.

Pre-competitive collaboration

A room where banks, fintechs, MFIs and insurers can share method without surrendering advantage.

Policy alignment

Every product must name the NFIS target it serves. No inclusion language without an inclusion mechanism.

Evidence generation

Documenting what worked, what stalled, and why, so the next cohort starts further along.

> *The Product Innovation Lab is not a peripheral programme. It is national infrastructure for financial inclusion, and it has earned that description the slow way, one shipped product at a time.*

The short version

EXECUTIVE SUMMARY

The SIDFS Product Innovation Lab was built in 2019 to attack one specific failure: regulation had moved, infrastructure had moved, product design had not. Banks build for the customers they already understand, and the people furthest from finance keep getting products designed for someone else.

It is not a research programme that publishes recommendations. It is a workshop. Financial institutions bring a real product idea; the Lab supplies human-centred design methodology, market research, regulatory guidance, mentorship and a room full of peers who are usually competitors.

The first four cohorts, run virtually as the Product Development Lab, were a proof of concept: 13 organisations, 13 products, three of which reached market. That 23% launch rate was the most useful failure in the Lab's history. It taught the programme what actually determines whether an inclusive product ships: an executive champion, budget committed before the sprint starts, and a short runway from design to pilot.

Rebuilt on those lessons as the Product Innovation Lab, the next cohort launched all four of its products. Since then the Lab has run seven PIL cohorts, adding dedicated programmes for women, for MSMEs, and for Northern Nigeria, the region with the country's deepest exclusion and the least fintech attention.

The portfolio now stands at 37 products, 21 of them in market: Halal-compliant women's finance in Lotus Bank, digitised Ajo savings in Wema, USSD trust circles in Kano, inventory credit for medicine sellers, micro health insurance for market women.

These are not pilot numbers any more. They are people with credit histories, insurance cover and savings records who did not have them before.

CULTURAL FIT

Ajo Savings (Wema) and **EsusuPay** digitised rotating savings traditions rather than replacing them, and is now cited as a model for culturally grounded inclusion in West Africa.

FAITH AND GENDER

Her Mata (Lotus Bank) built Halal-compliant finance for Muslim women shut out of conventional banking: ethical finance backed by real ethnography.

LOW-TECH REACH

Kidashi (Xchangebox) runs women's trust circles over USSD with MTN. No smartphone required, which is precisely the point in Kano.

Eleven cohorts, one arc

2019 TO 2026

Each cohort narrowed the aim of the one before it. Broad proof of concept gave way to fewer, better-supported institutions; then to sector depth; then to deliberate geography and deliberate gender.

COHORT	YEAR	WHAT CHANGED	PRODUCTS	LAUNCHED
PDL 1–4	2019–22	Proof of concept, fully virtual. 13 organisations, from UBA and LAPO to Kuda and Esusu Africa. High attrition, and the data that fixed it.	13	3
PIL 1 & 2	2023	Quality over breadth. Four institutions, deeper support, post-lab tracking built in. Her Mata and Ajo Savings came out of it.	4	4
PIL 3	2024	Scale and sector spread: Zenith alongside insurers and supply-chain lenders.	4	3
PIL Kaduna	2024	First move out of Lagos. Northern contexts: lower smartphone penetration, Sharia-compliant preference, agricultural base.	3	0
PIL 4 Women	2025	A dedicated gender cohort with gender-sensitive design across every product. The Lab's most productive year.	6	5
PIL 4.1 MSMEs	2025	Supply-chain and productive finance: inventory credit, savings-to-own asset finance, women-led MSME lending.	4	3
PIL 4.2 Kano	2025	USSD-first design, Islamic finance, trust-circle mechanisms. The deepest Northern engagement yet.	4	3

Launch rate rose from 23% across PDL 1–4 to 100% in PIL 1 & 2, and has held above 75% since.

Nothing about the Lab’s method changed by accident. The gap between a 23% launch rate and a 100% one is the difference between running a workshop and running a programme that follows its products out of the room.

In market

THE 21 LAUNCHED PRODUCTS

Of 37 products designed in the Lab, these have reached customers. A further nine are in progress or delayed; the remainder went inactive, mostly from the early virtual cohorts.

COHORT	INSTITUTION	PRODUCT	WHAT IT DOES
PDL 2 · 2020	Zedvance	**Flexi-Loan**	Flexible digital consumer credit built for underserved borrowers.
PDL 3 · 2021	Unity Bank	**Unity Yanga**	Low-barrier savings and lifestyle account for mass-market customers.
PDL 3 · 2021	Esusu Africa	**EsusuPay**	Digitised Esusu/Ajo savings: a formal record from an informal habit.
PIL 1 · 2023	Lotus Bank	**Her Mata**	Sharia-compliant finance for Muslim women excluded by conventional banking.
PIL 1 · 2023	VFD MFB	**Ezafin**	Digital savings and financing for low-income and informal-sector users.
PIL 1 · 2023	Stanbic IBTC	**@Ease**	Financial-wellness banking for aspiring professionals and the middle market.
PIL 2 · 2023	Wema Bank	**Ajo Savings**	The Yoruba Ajo tradition rebuilt as a digital banking product.
PIL 3 · 2024	Zenith Bank	**Eazy by Zenith**	Simplified digital onboarding for the unbanked, at national scale.
PIL 3 · 2024	Premium Trust Bank	**Distributor Finance**	Supply-chain financing for distributors and SME trade ecosystems.
PIL 3 · 2024	Credit Direct	**Microloan**	Digital microcredit refined to serve genuinely underserved borrowers.
PIL 4 Women · 2025	First Bank	**FirstGem**	Savings, credit and advisory for women professionals, traders and founders.
PIL 4 Women · 2025	Ploutous Page	**Pepcode**	Bookkeeping and digital skills: income base before financial access.

In market

CONTINUED

COHORT	INSTITUTION	PRODUCT	WHAT IT DOES
PIL 4 Women · 2025	Regxta	**My Family & I Savings**	Goal-based household savings for education, health and family milestones.
PIL 4 Women · 2025	Herconomy	**HerMoni**	Microloans for women in informal markets. 98% female beneficiaries.
PIL 4 Women · 2025	Iyewo Clinic	**Micro Health Insurance**	Community health cover for informal workers and low-income households.
PIL 4.1 · 2025	Tillit	**Order Sharp Sharp**	Buy-now-pay-later inventory finance for medicine sellers and health MSMEs.
PIL 4.1 · 2025	Lendha	**Beta Life**	Savings-to-own asset finance turning saving behaviour into credit eligibility.
PIL 4.1 · 2025	Grooming MFB	**Beta Moni**	Collateral-free lending to women-led MSMEs in Oyo State, up to ₦5m.
PIL 4.2 · 2025	Xchangebox	**Kidashi**	USSD women's trust-circle finance, delivered with MTN in Kano.
PIL 4.2 · 2025	Kayi App	**Fuel Your Hustle**	Short-term support for informal workers bridging income gaps.
PIL 4.2 · 2025	Albarka MFB	**Save4Future**	Islamic-compliant savings and enterprise support for women and students.

Nine further products are in progress or delayed, among them FCMB’s SheVentures, AXA Mansard’s Safe Hustle, Plowafrika’s FarmWiser and CampServe’s FarmServe.

What the numbers mean

CUSTOMER IMPACT

Credit, where credit was informal

₦1.9bn+ in Grooming MFB's Beta Moni portfolio, reaching low-income and informal-sector borrowers that mainstream lending never priced for.

₦70.7m across 179 HerMoni loans by January 2026, 98% to women who previously borrowed from moneylenders at punishing rates.

₦500m+ in inventory finance from Tillit to Kano healthcare MSMEs, the largest single product metric in the Lab's history, and a measure of how deep the unmet demand runs.

901 customers onboarded by Lendha's Beta Life after soft launch, plus **250+ women** reached by Kidashi in Kano. Small numbers that represent large structural barriers cleared.

Savings, from circle to record

Ajo Savings and EsusuPay took the trust mechanisms people already use and gave them a paper trail, which is the raw material of a credit score. Albarka's Save4Future did the same for women and students in Kano under Islamic finance principles. Regxta's family savings product found something the sector assumed away: its users already had smartphones. What they lacked was a reason to save consistently, so the product was rebuilt around family goals rather than balances.

Insurance, in a market with almost none

Nigeria insures roughly 0.5% of GDP, among the lowest rates in the world. Iyewo Clinic's micro health insurance launched in three markets and took **600+ signups** in its first phase, well past typical micro-insurance adoption. For a low-income woman, one health crisis can liquidate a decade of savings; this is the product that stands between the two.

Digital, without assuming a smartphone

Regxta passed **25,000 customers at 400% growth**. Zenith's Eazy simplified onboarding across a national branch network. And the Kano cohort built USSD-first, on the understanding that digital inclusion which requires a smartphone is not inclusion; it is a smaller market with better margins.

What it changed inside institutions

INSTITUTIONAL AND ECOSYSTEM IMPACT

Every participating institution went through structured human-centred design: ethnographic research, problem framing, prototyping, market testing. For most Nigerian financial institutions this is a departure. Product development has typically followed technology availability or compliance deadlines rather than customer insight.

The method travelled. Institutions report applying it well beyond their inclusion products, and several banks have since stood up internal design functions. The Lab's methodology outlives the cohort that learned it.

It also functions as risk management. Validating a product before commercial launch is far cheaper than discovering the flaw afterwards, and several institutions cite exactly that as their reason for joining.

Between competitors, the Lab creates something rarer: a pre-competitive room. Banks share design problems, fintechs share research, MFIs learn from technology companies, inside a structure that protects what is commercially sensitive and circulates what is not.

Beyond the cohorts, Lab products now serve as reference points in industry forums and regulatory consultations, and the requirement to name an NFIS target has raised the bar for what counts as inclusion work rather than digital banking in inclusion language.

The Kaduna and Kano cohorts began closing a different gap: the one between Lagos, where Nigeria's fintech ecosystem lives, and the North-West and North-East, where the exclusion actually is. No inclusion strategy that skips those markets can hit its targets.

> *The PIL process forced us to validate our assumptions before we built. We discovered that what we thought customers wanted and what they actually needed were fundamentally different. That insight saved us from launching a product that would have failed.*
>
> PARTICIPATING INSTITUTION, PIL 2

Five things seven years taught us

EVIDENCE ON WHAT MAKES INCLUSIVE PRODUCTS SHIP

01 **A named senior champion is the strongest single predictor of success.** Products managed at operational level stall; products with an executive owner ship.

02 **Commit budget and staff time before the sprint, not after.** Resource pre-commitment cuts post-lab attrition sharply.

03 **Six months is the window.** Products that move from design to pilot within half a year succeed far more often than those deferred.

04 **Settle the regulation at design stage.** Products built with active regulatory engagement launch more reliably than those that meet compliance late.

05 **Cultural alignment is not a nice-to-have.** Products that build on indigenous mechanisms such as Ajo, Esusu and trust circles consistently out-adopt products that import a foreign financial model wholesale.

None of these findings are surprising in isolation. What the Lab supplies is the evidence that they hold across eleven cohorts, seven years and every institution size in Nigerian finance.

Beyond the cohorts

ECOSYSTEM INTERVENTIONS

Alongside the Lab, SIDFS runs market-level programmes aimed at structural gaps the cohort model cannot reach: the sector's short-termism on financial metrics, the absence of localised design toolkits, and the habit of filing inclusion under CSR.

APR 2023

Savings Mobilisation Programme. Closed-door sessions on the Women's World Banking approach, re-engineering existing portfolios to capture retail savings from low-income women.

MAY–JUN 2023

IDEO CICO Collective & Last Mile Money. Global inclusive-design toolkits localised for Nigeria, aimed at cash-in/cash-out agent networks and last-mile interfaces.

2023 & 2024

Small Firm Diaries roundtables. Translating research on MSME cash-flow volatility into product features providers could actually build.

Making inclusion pay for itself

The **Commercial Viability Workshop** tackles the argument that kills most inclusion products internally: that they do not pay. Product managers, designers, compliance officers and strategy leads use the Innovation Trifecta of desirability, feasibility and viability to build business cases their C-suites will actually fund. It is the difference between an inclusion product that survives one budget cycle and one that survives five.

INSTITUTIONS ENGAGED

Access Bank · EcoBank · FCMB · Fidelity Bank · First Bank · GTBank · Heritage Bank · Polaris Bank · Titan Trust · Union Bank · Unity Bank · Wema Bank · Interswitch · Herconomy · MoMo PSB · Accion MFB · LAPO Microfinance Bank

The case for what comes next

STRATEGIC OUTLOOK

The work is not finished

38 million adults remain unbanked. The gender gap persists. Agricultural finance is still inadequate, insurance still negligible, the North still behind. None of the structural drivers of exclusion have been removed; they have been addressed in specific places by specific products.

The model has just matured

Programmes of this kind typically need five to seven years to reach methodological maturity. The Lab is arriving there now, which makes this the moment when investment compounds fastest, not the moment to taper.

The ecosystem value exceeds the products

A community of practice in inclusive design. A peer network spanning banks, fintechs, MFIs and insurers. A bridge to Northern Nigeria. Market intelligence on segments nobody else researches. None of it is reproducible by funding individual products directly.

It is fundable beyond Nigeria

The Lab's work maps onto the NFIS, the CBN's Financial Inclusion Secretariat priorities, and SDGs 1, 8 and 10, and its track record and LBS home make it a credible partner for development finance institutions looking for one in Nigeria.

SEVEN RECOMMENDATIONS

1 · Sustain and scale the core programme: annual generalist cohorts plus thematic cohorts for women, MSMEs and underserved regions.

2 · Go deeper North: extend the Kaduna and Kano model to more North-West and North-East states, adapted for Islamic finance and low-infrastructure contexts.

3 · Fund the after-party: post-lab mentorship, regulatory navigation and market linkage for products in implementation.

4 · Standardise impact measurement across cohorts, so results are comparable and defensible to external audiences.

5 · Build the alumni network: a self-sustaining community of inclusive finance practitioners across cohorts.

6 · Diversify funding through partnerships with development finance institutions and bilateral donors.

7 · Publish annually: a public impact report to attract participants and grow the evidence base for the sector.

Not a project. Infrastructure.

Across eleven cohorts the Lab has supported 37 products, seen 21 reach market, and documented more than ₦2.5 billion in lending to people the formal system had priced out. It has done this while holding every product to an explicit national strategy target, not as a compliance exercise but as the design brief.

And it has done it for the people who most needed someone to bother: women in informal markets, smallholder farmers, medicine sellers, motorcycle taxi operators, apprentices, students. Nigerians for whom exclusion is not an abstraction but a daily ceiling on what their families can become.

The question is no longer whether the model works. It is how fast it can be scaled.

The Product Innovation Lab is the institutional infrastructure Nigeria's financial inclusion ecosystem needs to move from ambition to achievement, from policy to product, and from product to impact. Its continued operation is not a discretionary spend. It is an investment in Nigeria's economic future.

Glossary

SIDFS: Sustainable and Inclusive Digital and Financial Services, the Lagos Business School programme that houses the Lab.

PIL / PDL: Product Innovation Lab; formerly the Product Development Lab (2019–2022).

NFIS: National Financial Inclusion Strategy, Nigeria's framework for expanding financial access.

CBN: Central Bank of Nigeria, the apex financial regulator.

MSME: Micro, Small and Medium Enterprise.

MFI / MFB: Microfinance Institution / Microfinance Bank.

HCD: Human-Centred Design, the Lab's core product methodology.

USSD: the mobile protocol that enables transactions without internet or a smartphone.

Ajo / Esusu: traditional West African rotating savings and credit associations.

EFInA: Enhancing Financial Innovation and Access, publisher of the Access to Finance Survey.

CICO: cash-in/cash-out, the agent network layer of digital finance.

Prepared by the SIDFS team, Lagos Business School, May 2026. Impact metrics are supplied by participating institutions and accurate at publication. Prepared for SIDFS partners, donors, regulators and institutional stakeholders.