The Future of Trade: Ecosystem Banking

WOMEN IN TRADE

Insights from the Women In Trade Roundtable

Nigeria's trade and SME financing landscape remains defined by this paradox: SMEs are the economic backbone of the country, yet despite their critical importance, SMEs remain severely under-financed.

Commercial bank lending to SMEs in Nigeria has stagnated, rarely exceeding a few percentage points of total lending portfolios. Many women-led SMEs face even greater structural and cultural exclusion from access to finance.

Women in Trade convened senior leaders from Nigerian Tier 1, 2, and 3 banks, DFIs and technology platforms to discuss the future of trade finance in Nigeria. Participants shared candid reflections on why current approaches fail, and what a new model must look like to close these persistent gaps.

One answer lies in redefining risk and shifting to **Ecosystem Banking:** an intentional model that recognises SMEs as interdependent nodes within anchor supply chains, buyer-seller networks and logistics platforms. The failure of a small distributor or processor can ripple upwards to disrupt large corporate anchors, banking portfolios, and even national supply chains.

As AfCFTA gains momentum across Africa, Nigeria's financial institutions are leading by prioritising ecosystem banking across the country. By financing SME ecosystems and including those led by women, banks and DFIs will be not just empowering entrepreneurs, but actively de-risking supply chains and protecting corporate liquidity.

> *Women are not waiting to be included. They are already building the future of trade. The real challenge is building the system to support this.*
>
> Tolu Adekoya, Access Bank

NIGERIA'S SME LANDSCAPE

Nigeria consistently ranks as one of the most SME-dense countries globally.

Nigeria is home to over 39m MSMEs

< 7% have a loan or line of credit

6% formal exporters

(World Bank)

These figures highlight the sector's limited integration into formal financial and trade systems, making SMEs heavily reliant on personal savings, informal lenders, or unstructured credit from distributors and anchor buyers. As a result, they remain highly exposed to both domestic and cross-border shocks.

The situation is even more critical for women-led SMEs. An estimated 40% of all women-owned businesses in Nigeria operate in trade-related activities. (Moniepoint / FATE Foundation 2023).

Despite their scale and economic importance, women-led SMEs remain significantly underfinanced, facing disproportionate rejection rates for both formal trade finance and personal loans which SMEs often resort to.

The World Bank and Women's World Banking report that **56% of Nigerian women remain excluded from formal financial services.** This exclusion forces women entrepreneurs into informal trade and limits their ability to scale.

> ***The women who run the micro-businesses that hold our domestic trade together can barely access basic credit from our formal institutions.***
>
> **Kelechi Nwagboso, IFC**

Lack of credit access for SMEs does not only affect SMEs. It also exposes the ecosystem to hidden liquidity and supply chain risks. The roundtable agreed: banks and large corporates can no longer afford to view SME credit as a secondary issue.

Participants from the Women in Trade Nigeria Roundtable, from left to right:

Ayotunde Orimalade
SME Business & Zonal Manager, ***Wema Bank***

Tolu Adekoya
Team Lead, Global Trade Finance, ***Access Bank***

Kelechi Nwagboso,
Trade & SCF, Africa, ***International Finance Corporation***
West Africa Council, Women In Trade

Ifeoma Abdul
Head, Trade Finance, ***Stanbic IBTC Bank***

Onyinye Ilechie,
Exports & Imports, Snr Relationship Manager, ***FSDH Merchant Bank***

Olachi Okeiyi
Branch Head, ***Globus Bank***

Ahanna Anaba
Head of Sales & Partnerships, ***Finverity***
Founder, Women In Trade

Ugochi Obanau- Nwaukor
Head of Corporate Collections, ***United Bank for Africa***

ANCHORS FAIL WHEN SME FAILS

One of the most powerful observations of the Women in Trade Roundtable was that SMEs are not just clients, they are critical financial infrastructure for anchor corporates. This means liquidity failures at the SME level became liquidity crises for anchors and ultimately, their banks.

Ripple Effects in the Ecosystem

The group discussed numerous live examples of:

- Large FMCG players losing market share due to the inevitable higher costs when distributors have limited access to working capital
- Agricultural exporters missing deadlines because smallholder farmers could not access pre-shipment financing
- Construction supply chains breaking down due to under-capitalised equipment and service subcontractors

> ***We don't have the luxury of financing only the big names. Our survival depends on the whole value chain working.***
>
> **Olachi Okeiyi, Globus Bank**

Yet despite this interdependence, banks remain hesitant to finance SMEs due to familiar challenges:

- Lack of formal records
- Lack of enforceable contracts
- Lack of visibility over SME cash flows
- Fear of default risk

This mutual hesitancy causes chronic underfinancing of SME supply chains. As one participant aptly put it:

> ***The same lack of structure that scares banks away scares anchors away too.***
>
> **Ayotunde Orimalade, Wema Bank**

However, anchor corporates often acknowledge that their own operations cannot function without the resilience of their suppliers and distributors. Financial institutions must adopt the same mindset.

Joint anchor-bank SME financing programmes with clear escalation protocols are critical. Emerging structures increasingly tie SME financing to anchor cash flow monitoring and settlement arrangements, reducing risk through shared visibility.

Ultimately, the group concluded that failure to address this ecosystem fragility represents a systemic risk for Nigeria's financial system.

RETHINKING RISK

Traditional banking models rely on borrower assessment: collateral, cash flow history, and financial reporting. These methods systematically exclude the vast majority of SMEs, particularly women-led firms, which tend to be younger, smaller, and more informal in their record keeping.

The Call For Ecosystem Banking

Ecosystem Banking means recognising that SMEs operate within interdependent supply chains and networks. When small suppliers fail, distributors default, liquidity disruptions quickly cascade upwards to large corporates and back to their banks.

In short: Failing SMEs equals failing anchors.

This is not a theoretical risk. Nigerian banks are already seeing disruptions to supply chains in agriculture, FMCG, manufacturing, and construction as small players collapse due to lack of working capital.

In Q1 2025, Nigerian banks reported corporate NPLs broadly on par with SME levels. In general, both corporate NPLs and SME NPLSs are on the rise.

> ***We underwrite a borrower but ignore the system that sustains them. Then when that system breaks down, we act surprised.***
>
> **Ugochi Obanau-Nwaukor, UBA**

Reframes this as a systemic risk problem, Ecosystem banking highlights the need to treat liquidity management and capacity-building for SMEs as a form of de-risking for both banks and corporates.

Ecosystem banking spans across Nigeria's full spectrum of players:

- **Tier 1 Banks** — Anchor-led Supply Chain Finance
- **Tier 2 Banks** — Focused on SMEs and Business Banking
- **Tier 3 Banks, Microfinance** — Embedded Micro and community commerce

Ecosystem finance creates a triple win: stability for banks, reliability for anchors, and growth opportunities for SMEs. This is supported by a vibrant fintech sector with the ability to provide invoice level visibility, and international DFIs like the IFC who are willing to provide risk-sharing facilities to banks for SME finance.

The missing link is deliberate execution at scale.

> ***Banks like Stanbic have begun to expand beyond the traditional models, supporting distributors and value chains around large corporates.***
>
> **Ifeoma Abdul, Stanbic IBTC Bank**

WOMEN-LED SMEs
TOMORROWS ANCHOR CORPORATES

Any system built for SME growth must account for the reality that a large share of these businesses are owned and run by women. The roundtable reserved an entire session to explore why women-led SMEs remain locked out of formal financing programmes.

40% of Nigeria's MSMEs are women-owned, well above the global average of 33% (World Bank). Furthermore, **40% of women-owned businesses operate in trade-related activities**, which makes them natural participants in local supply chains.

In an ecosystem model, supply chains only function when all key actors are visible and financed. Women-led SMEs make up a significant share of this chain, yet remain largely invisible in formal financing ecosystems.

Women SMEs are 2.5x more likely to be rejected for trade finance
(IFC, Cenfri 2020)

Women in Africa make up 70% of informal cross-border traders
(ITC, UNDP)

Only 5% of Nigerian SMEs export formally, and **women-led SMEs are even less likely to be exporters**
(ITC 2023)

The root causes of exclusion were debated:
- Women-led SMEs tend to be smaller, newer, and often lack formal documentation or collateral
- Women disproportionately operate in informal or micro-enterprise segments
- Cultural biases still exist within banking and corporate procurement decision-making

> *"Todays corporates were once SMEs. Do we ever picture women-led SMEs as the next Dangote? That vision shift must start with us."*
>
> **Ahanna Anaba, Finverity**

Today, women-led SMEs contribute an estimated 18–20% of Nigeria's GDP and create substantial employment, particularly for women (MSME Africa, NBS 2023).

Participants agreed:
- Women-led SMEs must be deliberately integrated into anchor-supplier programmes
- Banks and DFIs must design specific risk models and lending frameworks for women-led SMEs to scale into corporate suppliers
- Fintech platforms and capacity-building programmes must target women entrepreneurs and enable their participation.

> *"This is not about empowerment slogans. It's about stability. Women-led SMEs strengthen ecosystems."*
>
> **Olachi Okeiyi, Globus Bank**

Given Nigeria's outsized share of women in the SME sector, the country is uniquely positioned to build a deliberate pipeline of women-led businesses into anchor supplier and key distributor roles.

Closing this gap is not just good will policy, it is strategic investment required for a healthy economy.

CASE STUDIES
NIGERIAN BANKS LEADING THE WAY

Despite the challenges, pockets of excellence exist. The roundtable showcased three live examples:

SME Clinics

UBA has pioneered quarterly SME clinics to help entrepreneurs and sole proprietors improve governance, record keeping and business structure.
The result has been increased SME bankability and wallet share growth.

"You cannot demand polish from people who aren't given the tools to polish with."

Ugochi Obanau-Nwaukor

Anchor-Led Farmer Programmes

FSDH partners with anchors to fund smallholder farmers via anchor buyers. Female farmers are bundled into groups and provided with finance, inputs, and equipment underwritten by the anchor relationship.

"Anchor corporates come to us specifically to fund their women farmer suppliers."

Onyinye Ilechie

The W Initiative

Access Bank's flagship programme for women entrepreneurs simplifies repayment plans, reduces collateral requirements, and offers tailored SME capacity-building services.

"The bank's trade finance team has worked to translate policy into practice by embedding flexible terms into lending tools for women entrepreneurs."

Tolu Adekoya

If we expect women to build scalable businesses, we must design systems where both the entrepreneur and the banker advocating for her have a seat at the table.

Ahanna Anaba, Finverity

The roundtable stressed that these examples remain isolated. What Nigeria now needs is scale.



WOMEN WHO BANK & WOMEN WHO TRADE

A unique insight from the Women in Trade Roundtable was the parallel exclusion faced by women SME owners and women banking professionals. Both groups experience reduced access to decision-making forums and are often marginalised within the financial system's power structures.

Participants shared the invisible hurdles they encounter in promoting SME-led product innovation:

- Limited internal sponsorship
- Few role models at senior levels of trade finance
- Challenges navigating male-dominated credit committees or risk functions

> ***Lived experience must shape better products. Women bankers know exactly what their women SME clients face.***
>
> Onyinye Ilechie, FSDH

> ***Representation is not the same as redesign. Women must move from simply being in the room to shaping the room.***
>
> Ifeoma Abdul, Stanbic IBTC Bank

Participants from Wema Bank and Globus Bank cited internal efforts to support women via one-on-one mentorship throughout their banking careers, and how these have been beneficial to the women in the room.

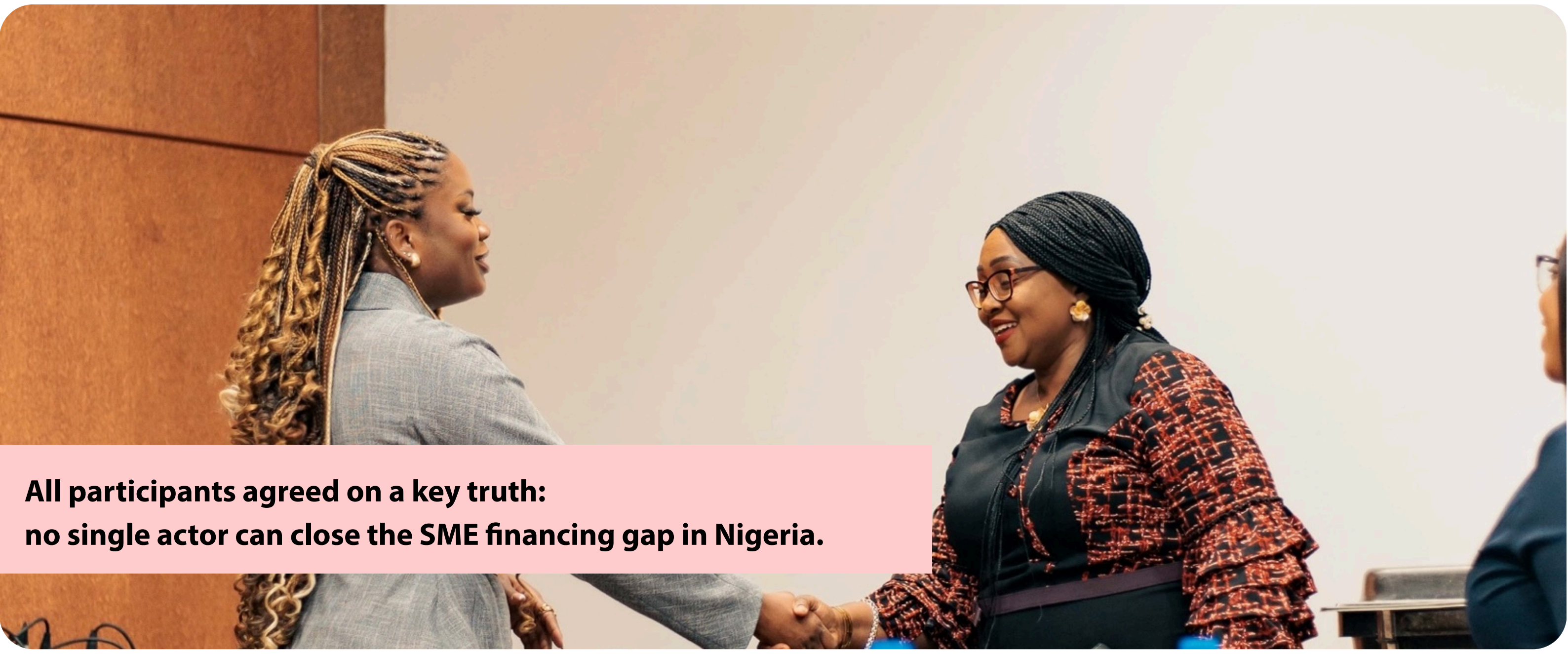
The group commended examples such as the IFC-backed programme offering up to 1.5% interest rate reductions for women-led SME borrowers in Nigeria.

We've seen Nigerian women rise to the very top of global finance, from WTO Director-General **Ngozi Okonjo-Iweala** to **Arunma Oteh,** former Treasurer of the World Bank. This momentum should be leveraged to build stronger connections between banks and women-led SMEs.

Lived experiences must shape system design. Participants called for:

- Women-led product design committees in banks
- Cross-institution peer mentoring platforms between women bankers, fintech leaders, and SME owners

The roundtable concluded that Nigeria has the unique opportunity to build an SME finance model that leverages the insights and leadership of women on both sides of the financing table.



COLLABORATION OVER COMPETITION
Aligning Banks, Fintechs, DFIs, and Anchors

Addressing the structural market failure requires intentional collaboration between banks, fintechs, DFIs, and anchor corporates. Ayotunde Orimalade from like Wema Bank highlighted the importance of branch-level SME intelligence in building credible financing programmes.

Women Finance Leaders	Champion the transition from micro-entrepreneur to anchor supplier/distributor
Banks	Create structured ecosystem SME lending products tied to anchor relationships
Fintech / Technology Providers	Reduce Cost, increase access by delivering last-mile onboarding, with invoice validation, and data tracking
DFIs	Provide first-loss guarantees to de-risk banks' SME portfolios
Anchor Corporates	partner with banks to Integrate SME suppliers and distributors into structured supply chain financing for distributor/supplier financing
Regulators	Ensure data sharing interoperability; expand use of secured transactions registry for movable asset lending

> *We talk about risk-sharing, but what's missing is data-sharing. DFIs can de-risk portfolios, but the system needs alignment first*
>
> Kelechi Nwagboso, IFC

Participants shared examples of how fintechs in Nigeria have already proven their value by partnering with financiers to enable data capture, track payments, and onboard smaller distributors.

Yet as a whole, these partnerships remain transactional rather than institutionalised. The roundtable argued that ecosystem banking must become a deliberate business line, not just opportunistically or as a CSR initiative.

Immediate action points recommended:

- Move from individual projects to permanent structured programmes
- Co-create anchor-bank SME financing products tied to purchase orders or distributor credit lines
- Integrate fintech invoice validation and early payment programmes into banks' SME lending portfolios
- Embed ecosystem liquidity solutions as standard bank offerings—not ad hoc exceptions

What Collaboration Looks Like:

Bank + Anchor
Anchor-Led Distributor Finance

Tier 3 Bank + Fintech
Digitised SME Trade Loans

DFI + Fintech
Data Registry + Risk Sharing

Participants also proposed that fintechs, together with DFIs, could jointly help build collaborative infrastructure at a national level to track SME payment performance and transaction history across supply chains.

Such a registry could reduce information asymmetry, lower due diligence costs, and unlock bank and alternative lending to SMEs that today remain invisible in traditional credit scoring systems.

This is Nigeria's opportunity to build a model that will be studied globally.

CONCLUSION
From Pockets of Excellence to Systemic Change

The Women in Trade Nigeria Roundtable concluded with a simple message: the tools exist, the models exist, and the market need is clear.

What remains is execution.

Success will require three things:

- **Mindset shift:** Seeing SMEs not as risky "small borrowers," but as critical financial infrastructure
- **System design**: Moving from ad hoc pilots to permanent cross-actor ecosystem partnerships
- **Inclusion by design**: Women must be intentionally brought into system architecture: as SME suppliers, bank clients, and product creators within financial institutions.

If Nigeria can deliver on this vision, it could become one of the first African countries to create and scale a formal supply chain finance ecosystem model; one which banks, corporates, and DFIs can adapt across the continent.

> *Women are already building the future of trade. It's time for Nigeria's financial system to follow.*
>
> **Women in Trade Nigeria Roundtable**

The Women in Trade Network has identified platforms like the OWIT Nigeria Chapter as key channels through which it can extend practical support to women in trade, from capacity-building to cross-sector collaboration. The network will continue to convene stakeholders and support implementation of these recommendations.

WOMEN IN TRADE

The Women in Trade Finance Network is a global initiative committed to elevating the role of women in African trade finance.

Through structured networking, thought leadership and educational opportunities, we empower professionals to excel in their careers and influence industry discussions. Our goal is to promote an inclusive trade finance ecosystem.

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