

Mobile Credit Scoring:

Powering Consumer Finance in Emerging Markets

SUMMARY

Credit Scoring solution based on telco data:

- ✓ Reduce credit loss by 50%
- ✓ Lend to tens of millions of invisible consumers
- ✓ Currently score 55 million customers on a daily basis.
Aim for universal coverage of credit score in Vietnam within first year since first launch.

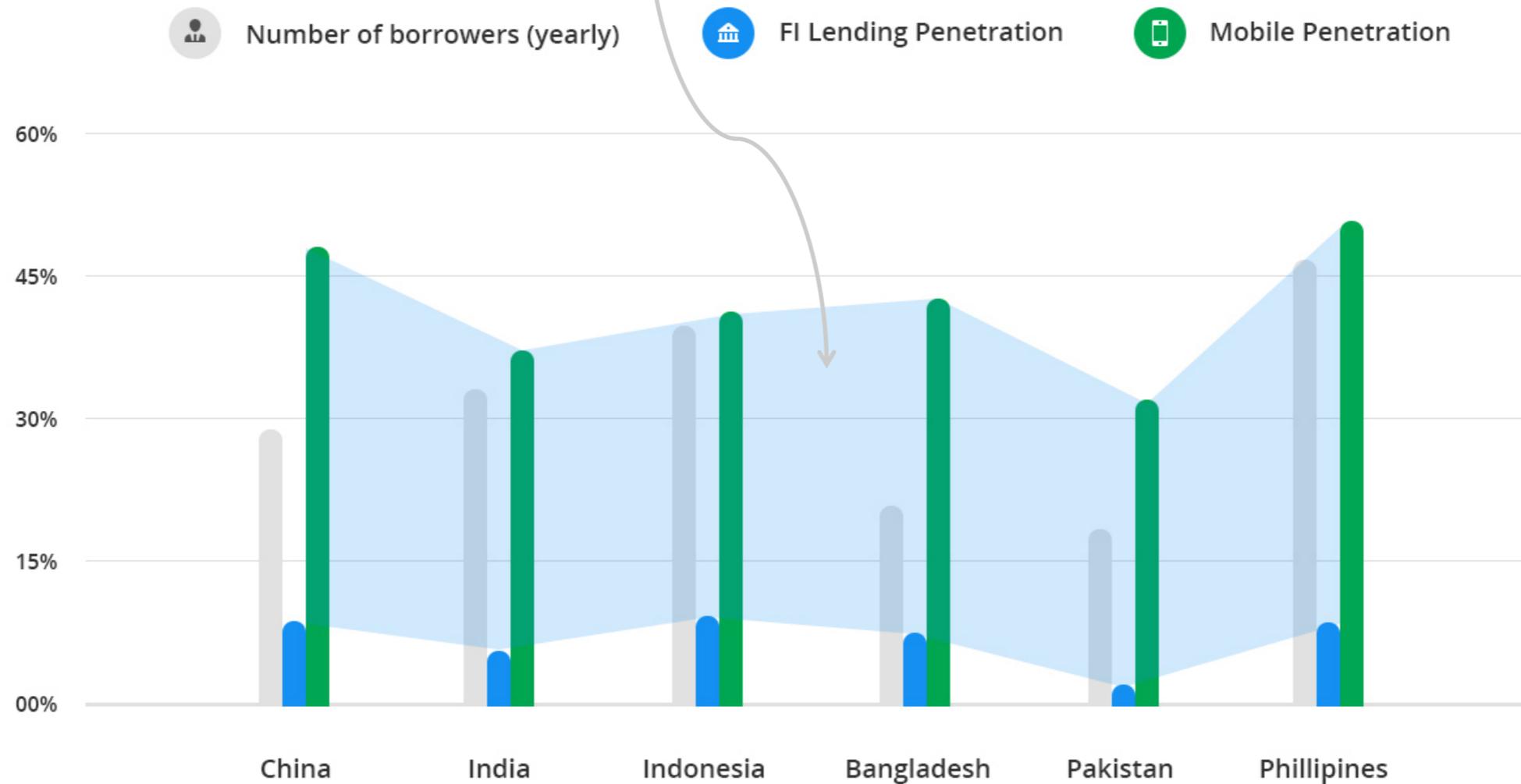
PROBLEM: CREDIT RISK ASSESSEMENT IS HARD

Banks are unable to lend to the underbanked consumers.
It is hard to assess their credit risk.



SOLUTION: MOBILE CREDIT SCORE

Our Mobile Credit Score solution can expand financial inclusion by 3x



<https://gsmaintelligence.com> | <http://datatopics.worldbank.org/financialinclusion>

WHY MOBILE DATA

Real-time, holistic and forward-looking view of creditworthiness



- Mobile data can help banks to evaluate credit risk of the unbanked consumers
- Mobile data can be even more predictive than credit history data

CASE STUDIES

Reduce 50% credit loss

across multiple consumer financing portfolios in Vietnam



49.1%

REDUCTION IN CREDIT LOSS

- Savings: \$900,000/month
- ~200,000 handset loans per month.
- Test sample: 62,000 loans



48.3%

REDUCTION IN CREDIT LOSS

- Savings: \$110,000/month
- ~15,000 motorbike loans per month
- Test sample: 6,600 loans

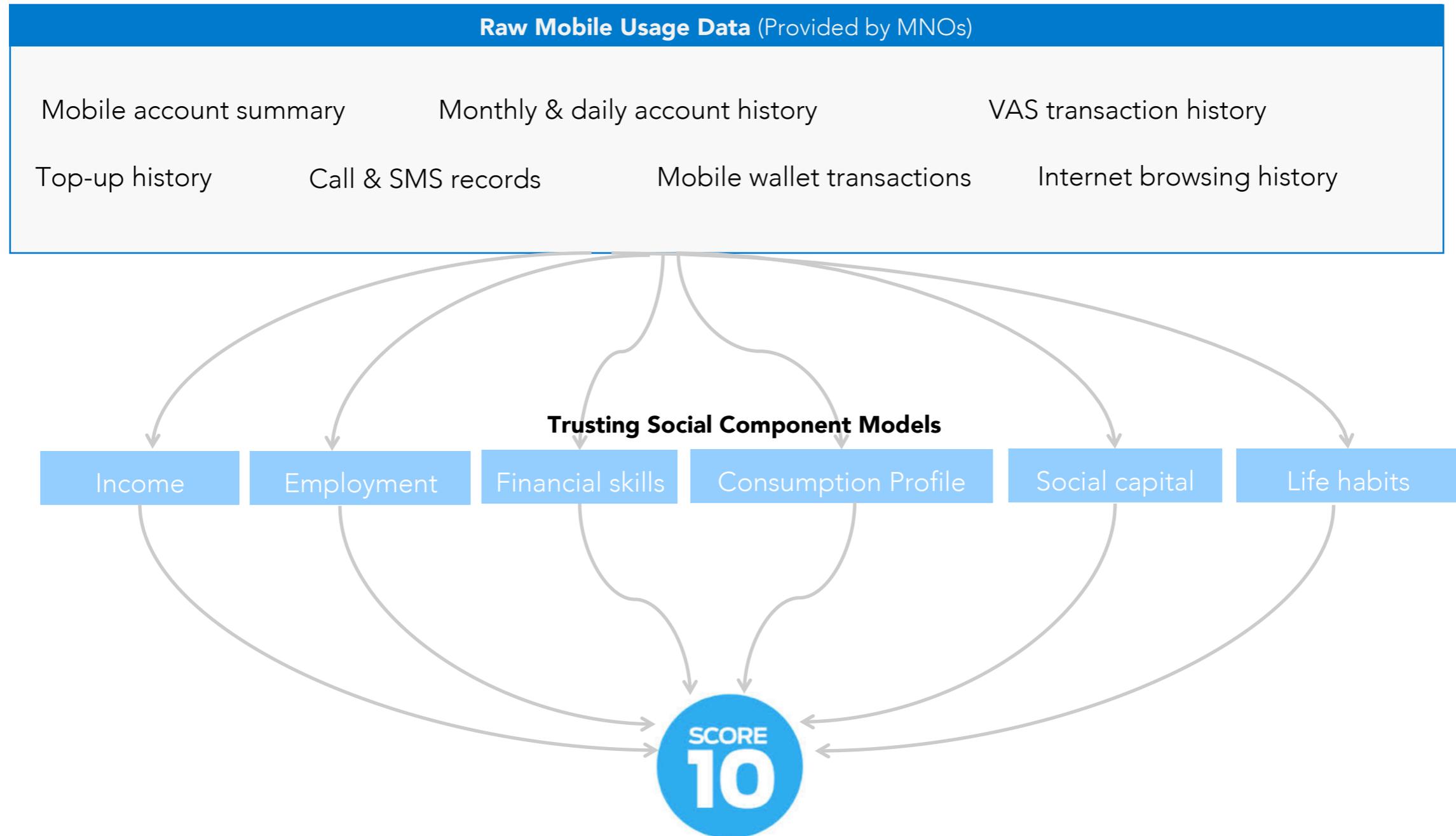


50%+

REDUCTION IN CREDIT LOSS

- Savings: \$1.4M/month
- ~60,000 cash loans per month with default rate ~ 12%
- Test sample: 5,000 loans

HOW WE DO IT



CONSUMER PRIVACY

Explicit user consent. Firewalled & anonymized data.

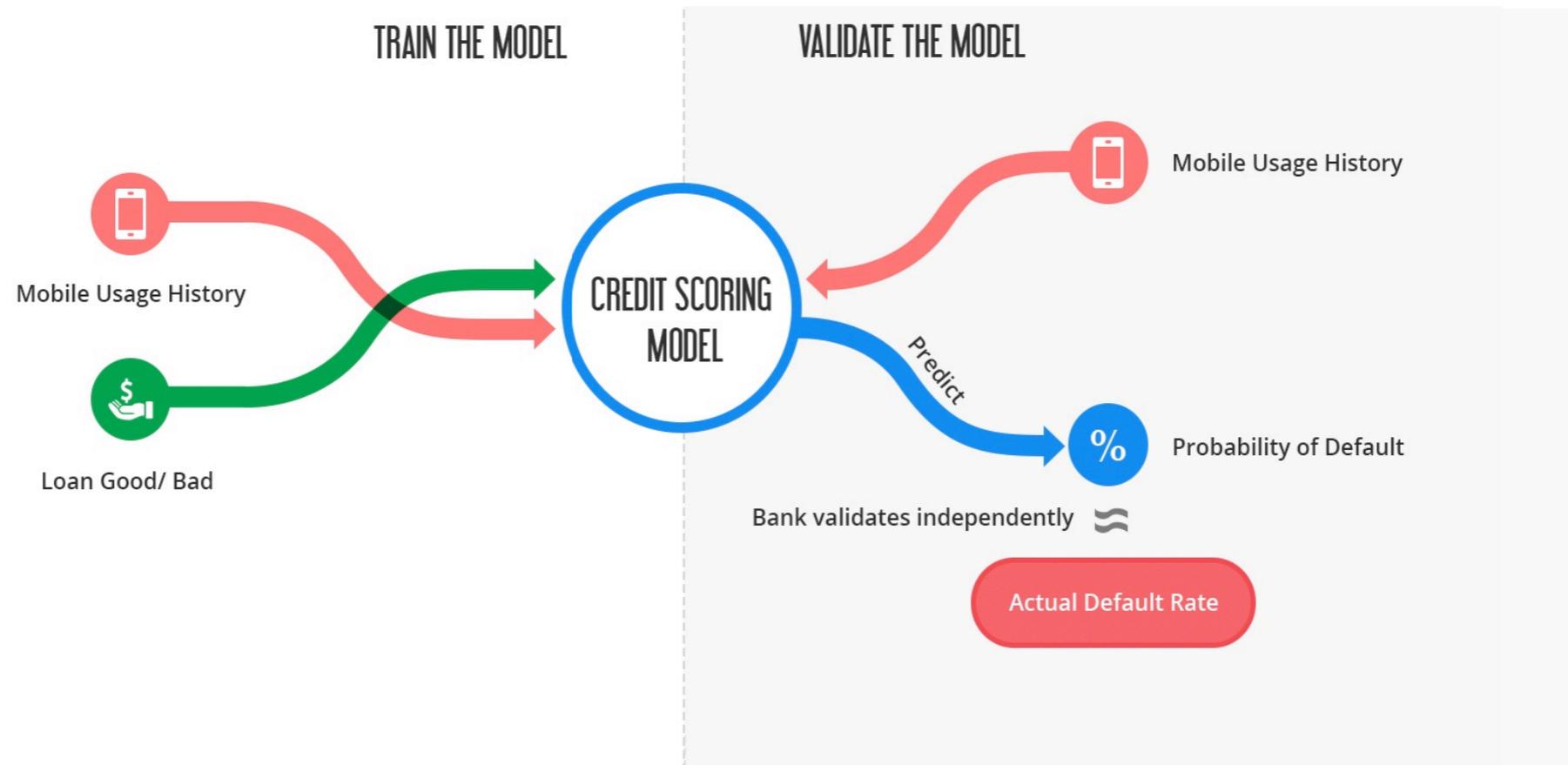
Consumer Privacy

- **Explicit consumer's consent via SMS** before sharing credit score with a lender
- **MNO do not share data with lenders** except for credit score
- **Banks do not share consumer data with MNO,** except for phone numbers

Data Protection

- Data are stored **within the MNO's firewall**
- **All personal data are removed** before being transferred to us
- We have **no access to personally identifiable data**

HOW WE TRAIN OUR CREDIT SCORE



1. Bank provides TS phone numbers of their existing loans, borrowing dates and whether the loans are defaulted (bad)
2. Mobile operator provides TS mobile usage data prior to the borrowing dates
3. Our proprietary prediction engine tweaks the algorithm to local nuances to create a "credit score"

1. Bank provides us another list of phone numbers of existing loans, without telling us loan defaults
2. We give each of the phone numbers a credit score. The higher the score, the less likely a loan will be defaulted
3. Bank compares our score with actual loan defaults to verify if it can predict actual defaults

CREDIT SCORING & VERIFICATION

Real-time credit score via API. Simple implementation.

Receive loan application



Make real-time scoring request via API



Approve loan automatically



1. Lender's system submits a scoring or verification request to our API
2. We send an SMS to ask for customer consent
3. If customer agrees, his credit score is returned to the lender's server

CONTACT

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