

Welcome to the 10th Annual WCCRC Conference

September 25th – 27th, 2016



2016
TORONTO

WCCRC

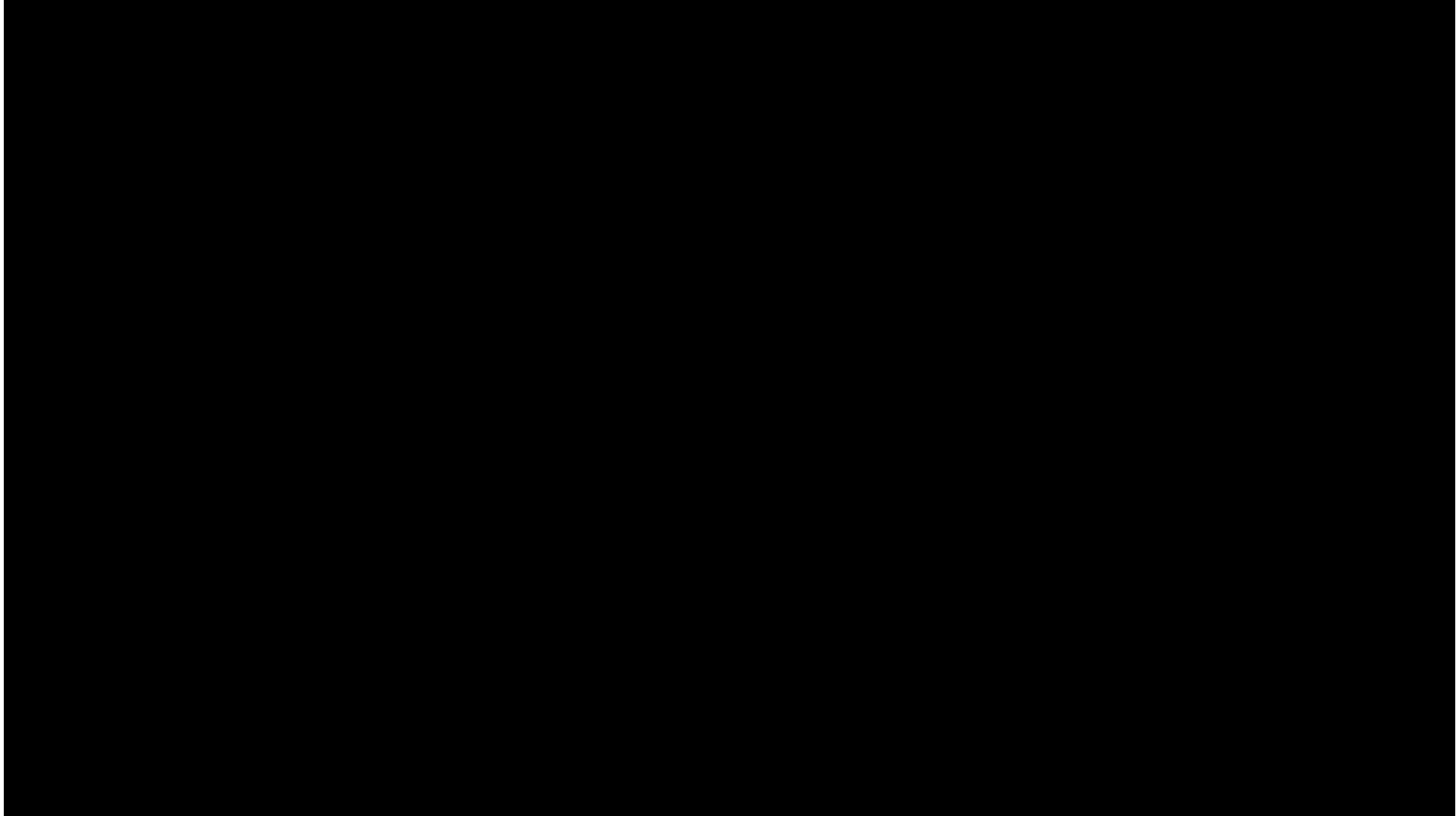
Motivated to Score the World

Paul Randall

Director of Business Development,
Creditinfo Group



Overview



Scoring diverse
data sets is
transforming
financial
services in the
emerging credit
markets



How can Credit Bureau
play a more central role?

Scoring diverse
data sets is
transforming
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services in the
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markets

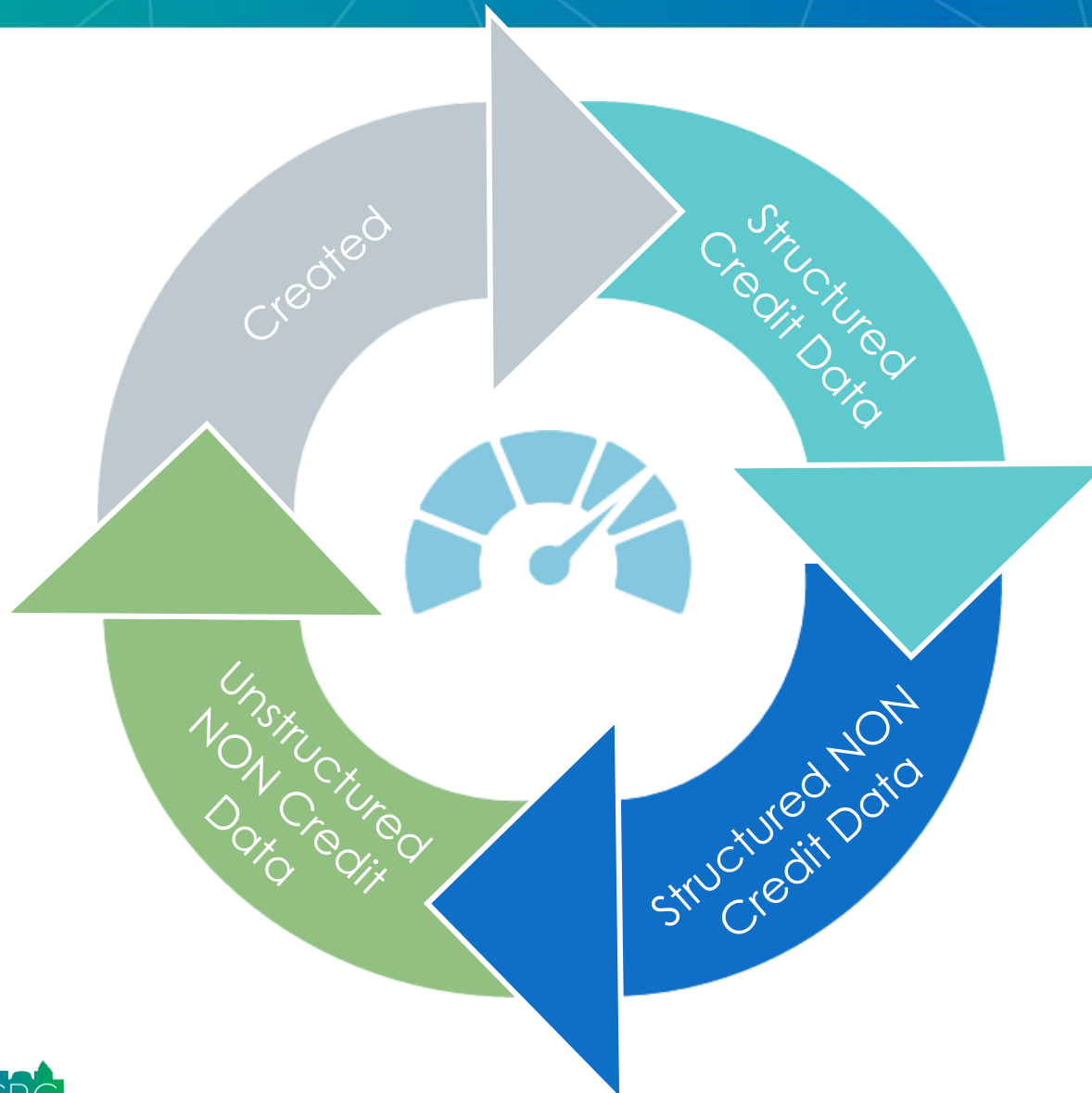
- Innovation within and outside of the Credit Bureau accelerating the process
- Challenges & Risks for credit bureau to play a more active role

New Scores Being Used

The wealth of
data available is
being converted
to **Scores**



What is the ideal data set for scoring?



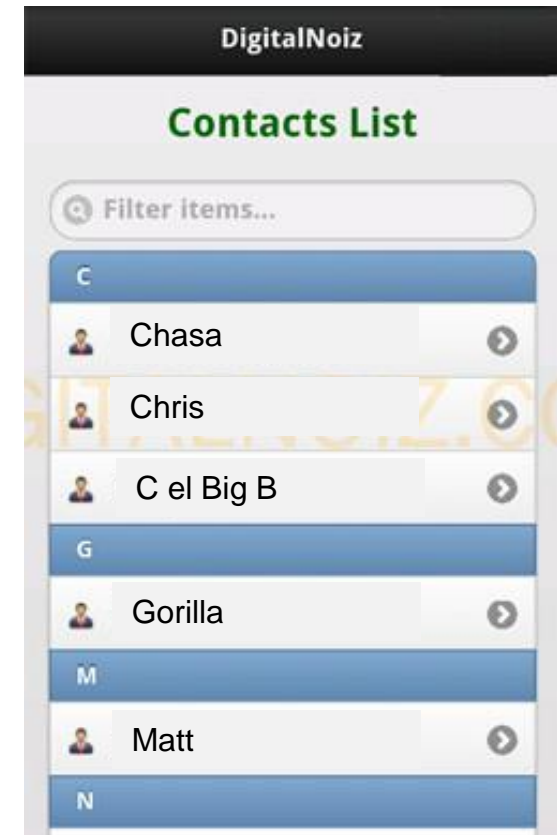
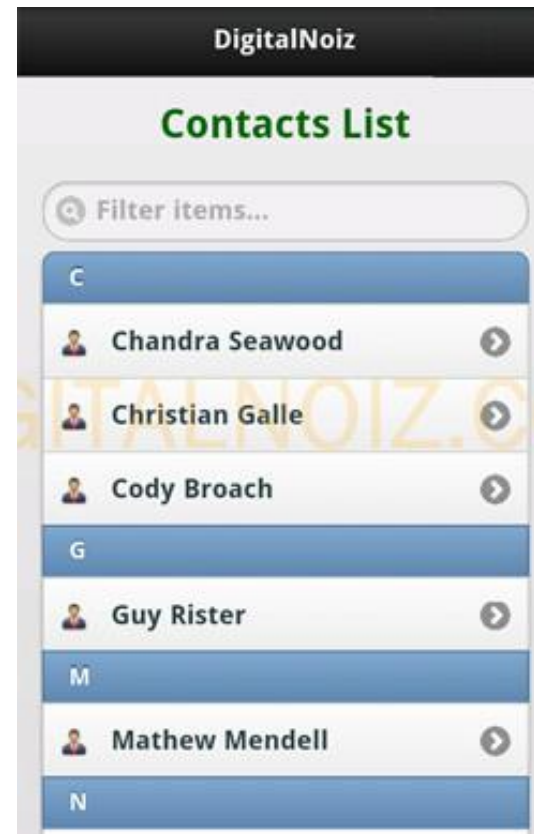
- Credit account records financial services
- Credit account records utilities, telecom, trade payments etc.
- Government data judgements, voters roll, tax, etc.
- Social Media, Mobile Activity, Retail Activity etc
- Other financial Mobile Payment
- Consumer provided Psychometric, application etc.

Small Value Mobile Loans

Companies, such as Inventure, are using information;

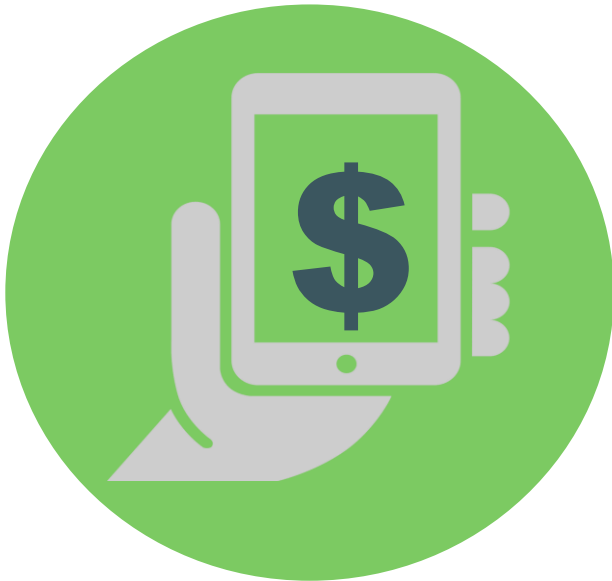
- Use of mobile banking services,
- Calls made
- frequency of calls
- Travel
- How the phone book is organized
- content of their text messages, emails, facebook or twitter updates
- Typically lending up to 100\$.

<http://www.standardmedia.co.ke/business/article/2000191608/why-that-facebook-post-may-give-or-deny-you-a-loan>

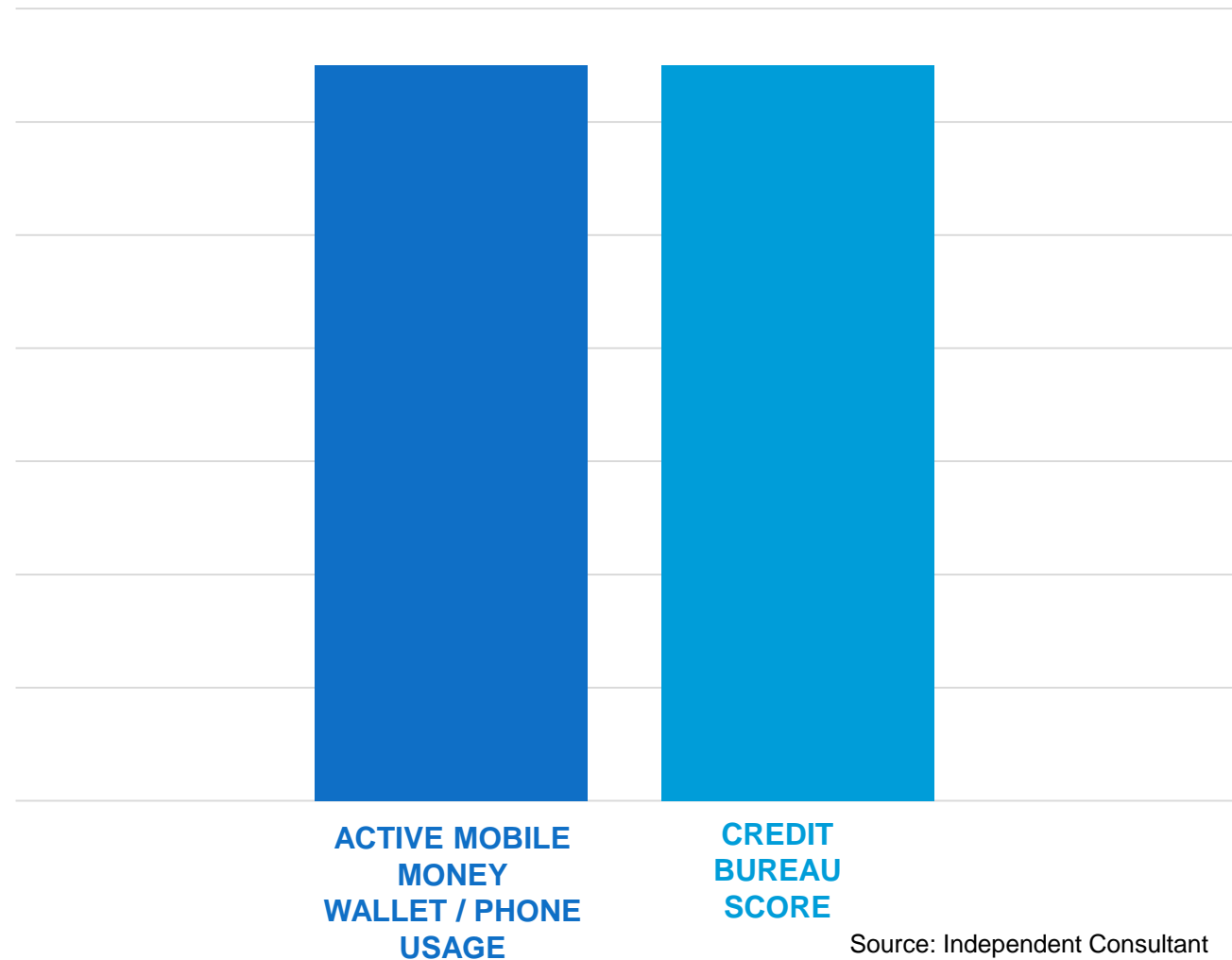


Small Value Mobile Loans

Mobile Wallet based Scoring
is proving predictive



Comparable Predictive Strength



Psychometric Scoring
works on the basis of the
“Big 5” personality traits.



Use of Imagery in Risk Assessment

Measurement of emotional stability – how does the applicant react in adverse situations?

CREDITINFO

CreditQuiz

How do you feel when you're stressed?



CREDITINFO

CreditQuiz

How long do your New Year's resolutions last for?

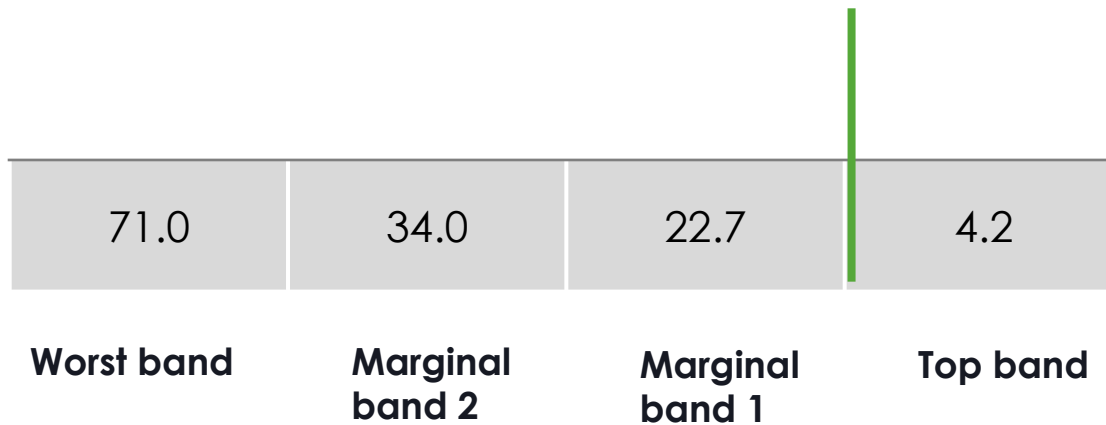


Measurement of long/short term bias – does the applicant want access to credit for short term purposes or to manage income over a longer period?

Case Study 1 – Bureau Application



Aim: Demonstrate predictive uplift over and above bureau score via cross-tabulation

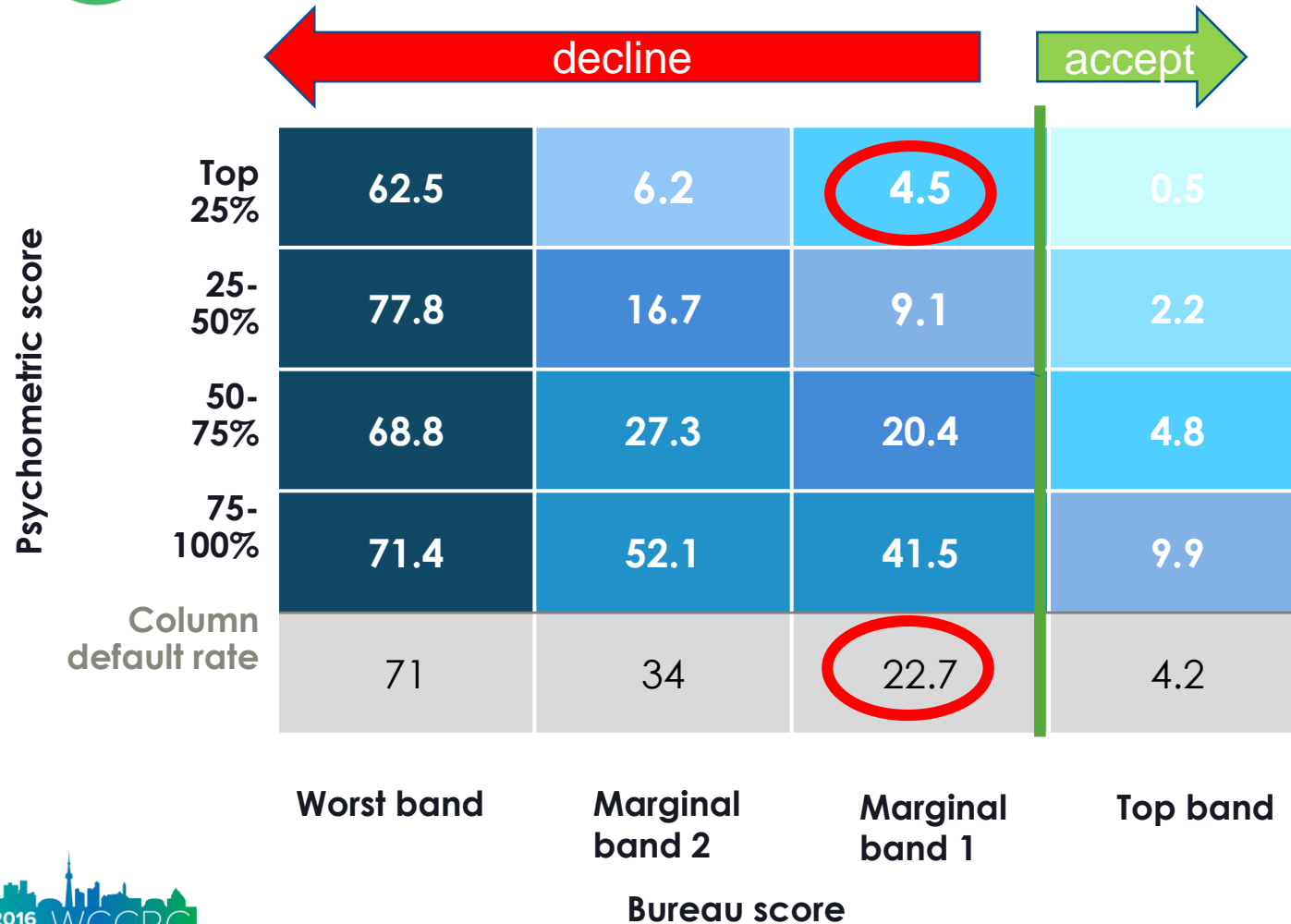


Key per segment
Default rate in that cell

Case Study 1 – Bureau Application



Aim: Demonstrate predictive uplift over and above bureau score via cross-tabulation



Case Study 1 – Bureau Application



Aim: Demonstrate predictive uplift over and above bureau score via cross-tabulation

Psychometric score	Bureau score			
	Worst band	Marginal band 2	Marginal band 1	Top band
Top 25%	62.5	6.2	4.5	0.5
25-50%	77.8	16.7	9.1	2.2
50-75%	68.8	27.3	20.4	4.8
75-100%	71.4	52.1	41.5	9.9
Column default rate	71	34	22.7	4.2

Reverse the Decision on Marginal Declines

Case Study 2 - Thin & Unbanked



Aim: Develop standalone risk model to allow lenders to lend to thin file customers

Model discrimination

	Accept	Bad rate
Lender model	20%	21.7%
Psychometric Score	20%	6.3%

Model scope – variable examples

Profile information

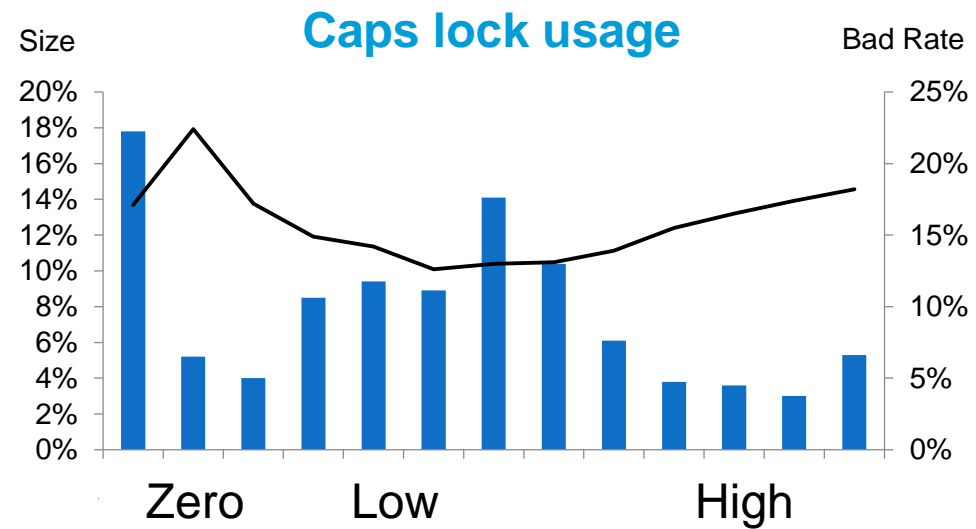
Usage level

Hobbies/likes

Communication culture

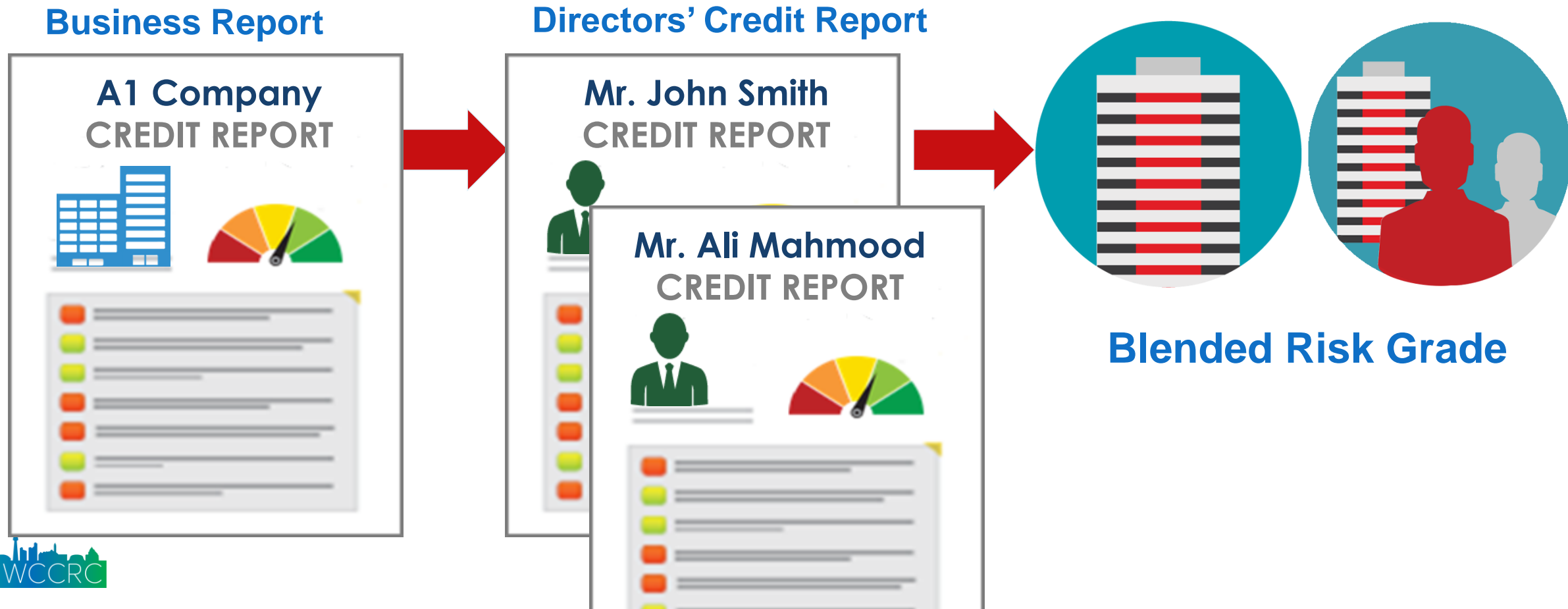
Friends/communities

Smileys, caps locks, posting photos, www ...



Credit Bureau – Better Use of Existing Structured Data

When you make a search on a **business**,
you can also **add** details of the **owners and directors**



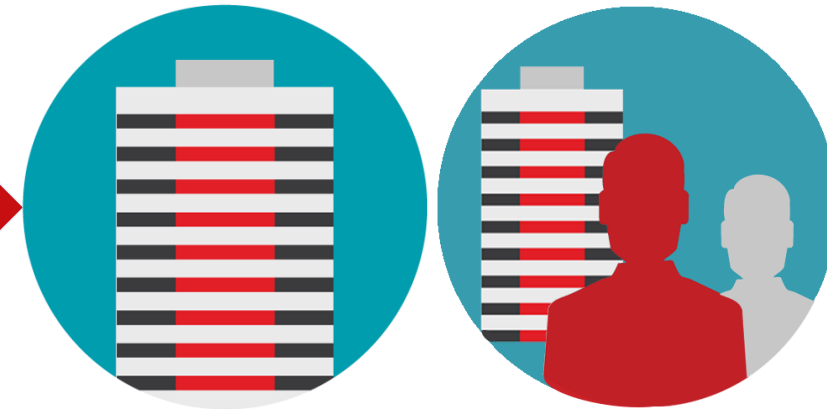
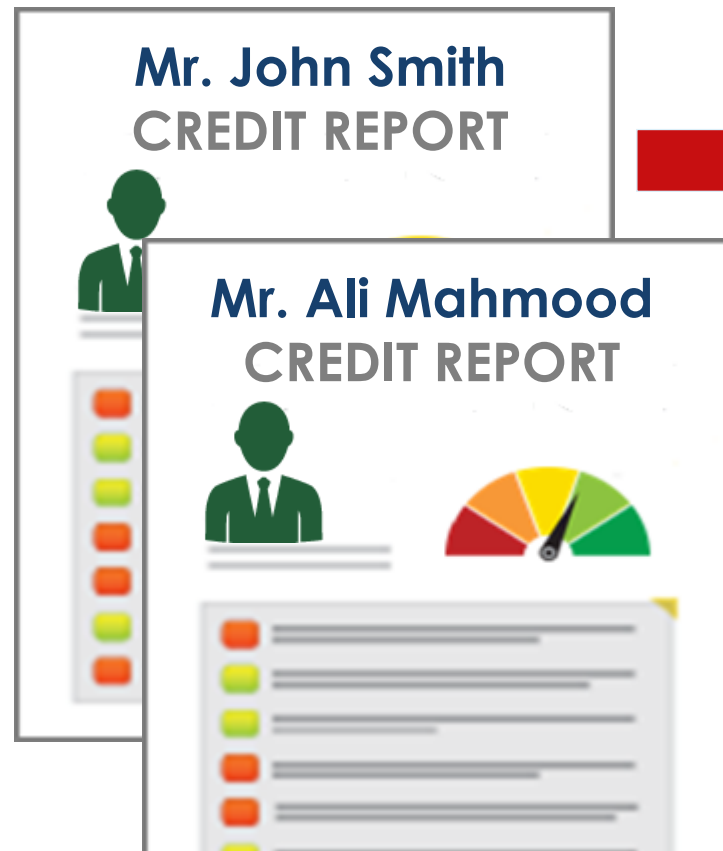
Credit Bureau – Better Use of Existing Data

Where we have **Thin File** of a Business, **Director Information** delivers SME Scores and access to credit

Business Report



Directors' Credit Report



Blended Risk Grade

SME Lending – CEE Country

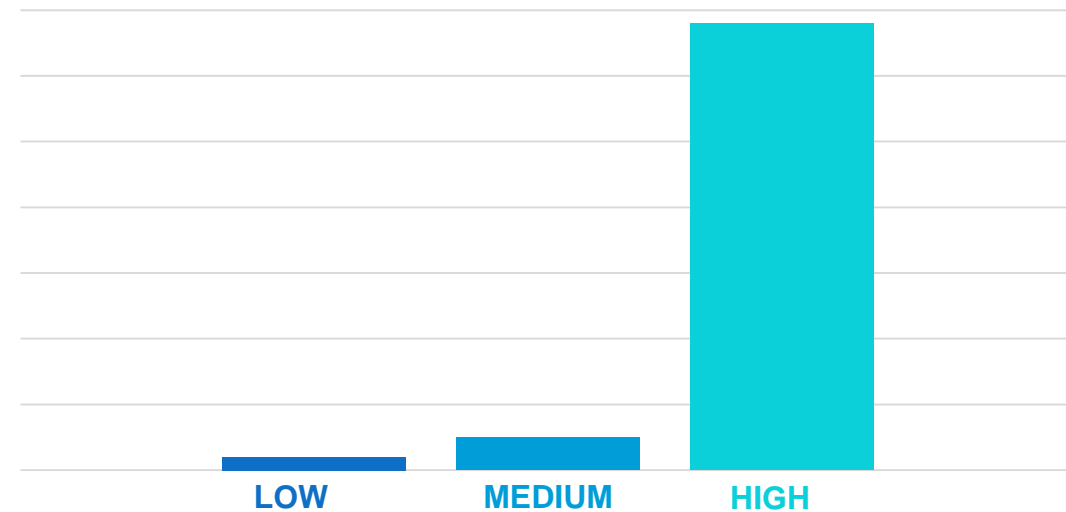


- Risk Calc™
- Business Credit Bureau
- Underwriter

SME Loan



Accepted Portfolio



Blended Score

Credit Bureau and Fintechs...the usual debate



Credit Bureau

V.



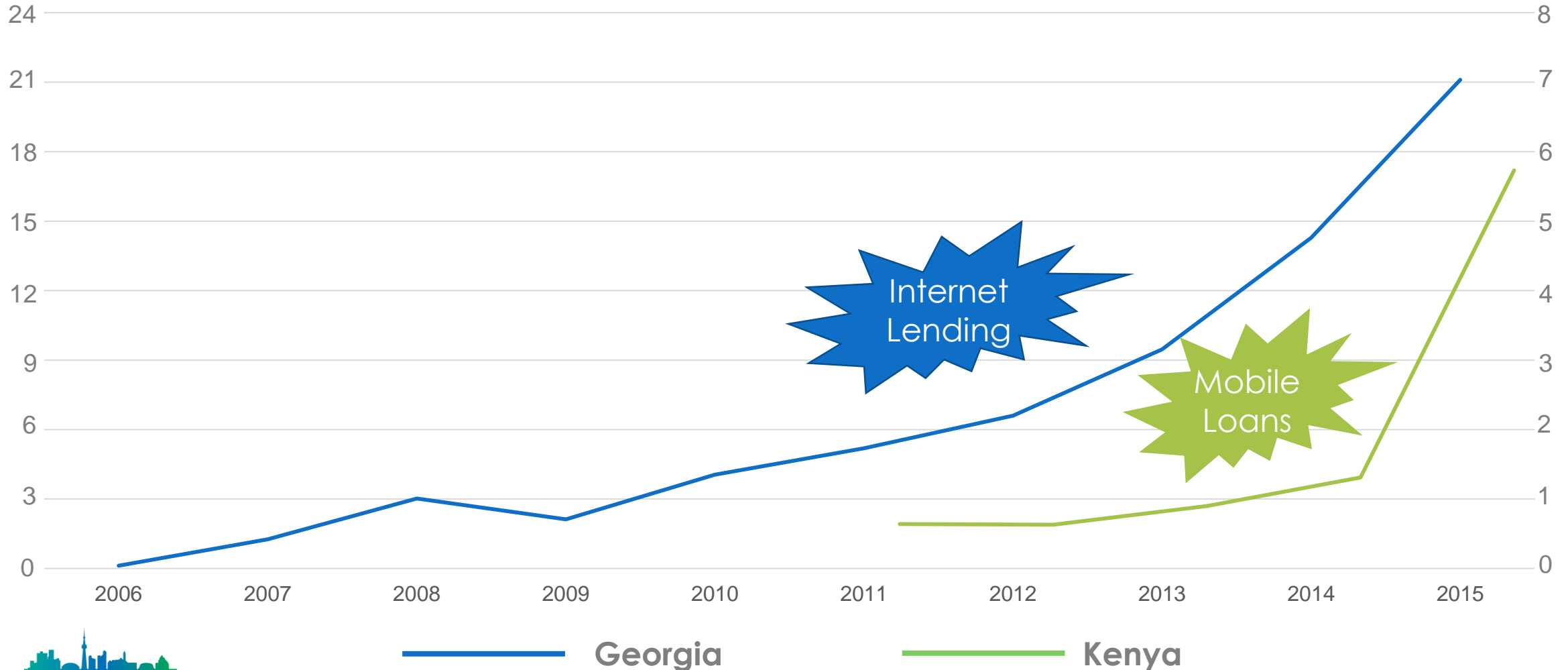
FinTech

FinTech Leads to Bureau Coverage and Stronger Bureau Scores

Georgia
millions

Kenya
millions

Requests of Credit Reports by Banks in Georgia and Kenya



External Challenges to Score New Data

Apple, Google and Other Tech Giants Say Regulations Block Fintech Innovation

Policymakers should focus on creating flexible regulations to protect consumer data, the companies say



FinTech Accelerator

The Accelerator will work with new technology firms to help us harness FinTech innovations for central banking.



Payment Services Directive
(PSD2)

Single Portal for Bank Accounts

Challenges – Conflicting Priorities of Stakeholders



Source: SAS: The Future of Model Risk Management for Financial Services Firms

doingbusiness.org/data/exploretopics/getting-credit

WORLD BANK GROUP

DOING BUSINESS | Measuring Business Regulations

DATA RANKINGS REPORTS METHODOLOGY RESEARCH BUSINESS REFORMS LAW LIFE

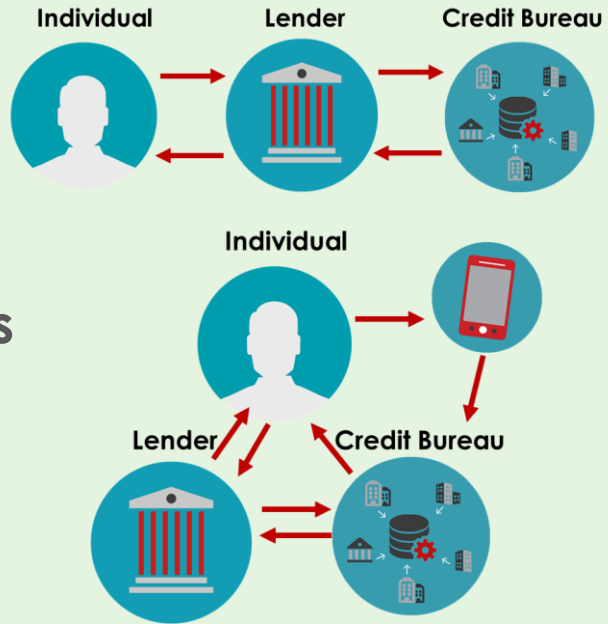
Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2015. [Read the methodology.](#)

“Bureau or registry credit scores are offered as a value added service to help banks and other financial institutions assess the creditworthiness of borrowers (4).”

Internal Challenges

Move From Linear Processes



Acquire New Skills



ZDNet SEARCH [] CENTRAL EUROPE MIDDLE EAST SCANDINAVIA AFRICA UK ITALY SPAIN MORE NEWSLETTERS ALL WR

MUST READ **APPLE'S HOMEKIT, COMING TO A NEIGHBORHOOD NEAR YOU: HOUSEBUILDERS PREPARING FOR THE RISE OF THE SMART HOME**

Experian invests in tech innovation to reinvent Brazil business

The company is focusing on analytics initiatives to diversify revenue streams.

By Angelica Mari for Brazil Tech | August 12, 2016 -- 22:54 GMT (23:54 BST) | Topic: Big Data Analytics

i CREDITINFO

12 AUG

Creditinfo acquires VisualDNA Credit & Risk business for psychometrics and alternative data

POSTED BY EMMA CAMILLERI / CHRONICLE, NEWS, WINNING

AMERICAN BANKER | FinTech Forward Register

Tuesday, August 30, 2016

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TOP 100 COMPANIES IN FINTECH

American Banker and BAI are rolling out the 2015 FinTech Forward rankings of the top 100 technology providers to U.S. banks. Starting from the bottom of the list, we'll be releasing a new group of 25 companies each Tuesday until Oct. 13, when we unveil the top 25.

FILTER BY CATEGORY* SELECT A COMPANY FROM THE LIST TO SEE ITS FIN TECH PROFILE

Core Banking 1 Tata Consultancy Services Limited (TCS) >

CRIF recognized in 2015 FinTech 100 rankings

A suite of scoring products
to cater for the diverse needs
of different stakeholders

Summary

**Continuum of data
and multiple scores
for everyone
on the planet!**



Questions and Contact Details



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