



FINCA and First Access Announce World's Largest Microfinance Fintech Collaboration

17 May 2016, Washington, D.C. – Today global microfinance leader FINCA and First Access, whose technology predicts the credit risk of borrowers in informal markets, announced a new collaboration that will create the largest and most sophisticated alternative credit-scoring approach by a microfinance institution (MFI) in the world. The partnership will vastly improve FINCA's outreach to excluded populations.

First Access will analyze existing client data from FINCA's operations, as well as subscriber data from local mobile network operators (MNOs), to establish credit scores for low-income clients who lack sufficient formal credit history to secure small loans to build businesses or support emerging personal needs.

Based on a pilot in Tanzania, the collaboration with First Access will, by late 2016, operate in six African countries where FINCA maintains subsidiaries, making it the largest such credit scoring program using innovative financial technology, or fintech, for any MFI.

77% of African adults remain excluded from the formal financial system. Mobile phones enable faster outreach and assessment of potential customers, but most digital lenders offer loans under \$30 and 30 days, so they serve a limited range of customer needs. Digital channels are also more difficult to use for building strong relationships and offering flexible products that serve a wider range of customer needs, two areas where institutions like FINCA excel.

By adopting First Access's data analytics and credit scoring platform, FINCA is moving beyond a comparatively labor-intensive, costly and, at times, subjective credit assessment model. "We're excited to be on the cutting edge of what is quite clearly the future of financial inclusion," said Andree Simon, Co-CEO of FINCA Microfinance Holding Company. "This partnership gives FINCA more objective information to form a credit decision and more time to improve the quality of our relationship with our clients. That should minimize the risk of our overall portfolio, lower underwriting costs, increase the speed of loan decisions, expand the pool of eligible borrowers and ensure they get the guidance they need to borrow safely and successfully. Ultimately, this should make FINCA more efficient and drive down costs, directly benefiting the people we serve and allowing us to reach more."

"Our new partnership will enable FINCA to make more reliable, real-time predictions about the creditworthiness of people who have never been a part of the formal financial system," said Nicole Van Der Tuin, First Access's Co-founder and CEO. "The future belongs to financial institutions like FINCA, which can harness both the personal relationships and digital tools to understand customer needs and risks, adapting their products, processes, and pricing to better serve all customers."

Through its partnership with FINCA, First Access is expanding its current Africa footprint from Tanzania and Kenya to Zambia, Democratic Republic of Congo, Uganda, Malawi and Nigeria. The regional collaboration offers First Access an exciting opportunity to demonstrate the success of its platform and methodology across a wider range of cultural and economic contexts. The company's mission is to reduce the cost of lending and borrowing to improve access to affordable capital in emerging markets.



According to Mike Gama-Lobo, FINCA's VP Regional Director for Africa, "The FINCA-First Access relationship will be grounded in Client Protection Principles, which reflect the organizations' deep commitment to high ethical treatment of customers. As First Access collects data, it will also continuously recalibrate its dynamic FINCA algorithms using machine learning techniques and hands-on collaboration with its Data Scientists, enabling FINCA to refine its own product offerings and provide the highest level of credit quality."

About FINCA

The FINCA microfinance network serves 1.8 million people in 23 countries with responsible and affordable financial services, including micro and small business loans, credit lines, savings, insurance, transactional services, and more. The majority shareholder is FINCA International, a Washington D.C. based not-for-profit organization with a mission to alleviate poverty through lasting solutions that help people build assets, create jobs and raise their standard of living. For more information visit <http://fmh.finca.org/>

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About First Access

First Access offers user-friendly tools to credit score everyone. Founded in New York City in 2011 by microfinance, mobile payments and analytics veterans, the company pioneered credit scoring with mobile phone data to reduce risk in microfinance. First Access has analyzed over 50 billion mobile transactions and assists financial institutions with mining their own portfolios and automating learning from their data as they grow. The First Access Enterprise Scoring platform is available across emerging markets and can capture consumer data from loan applications, core-banking software, credit bureaus, smartphones and feature phones, unique commercial partnerships with mobile network operators, mobile money platforms, data aggregators, solar companies and other digital product and service providers. For more information, visit <http://www.firstaccessmarket.com>.

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