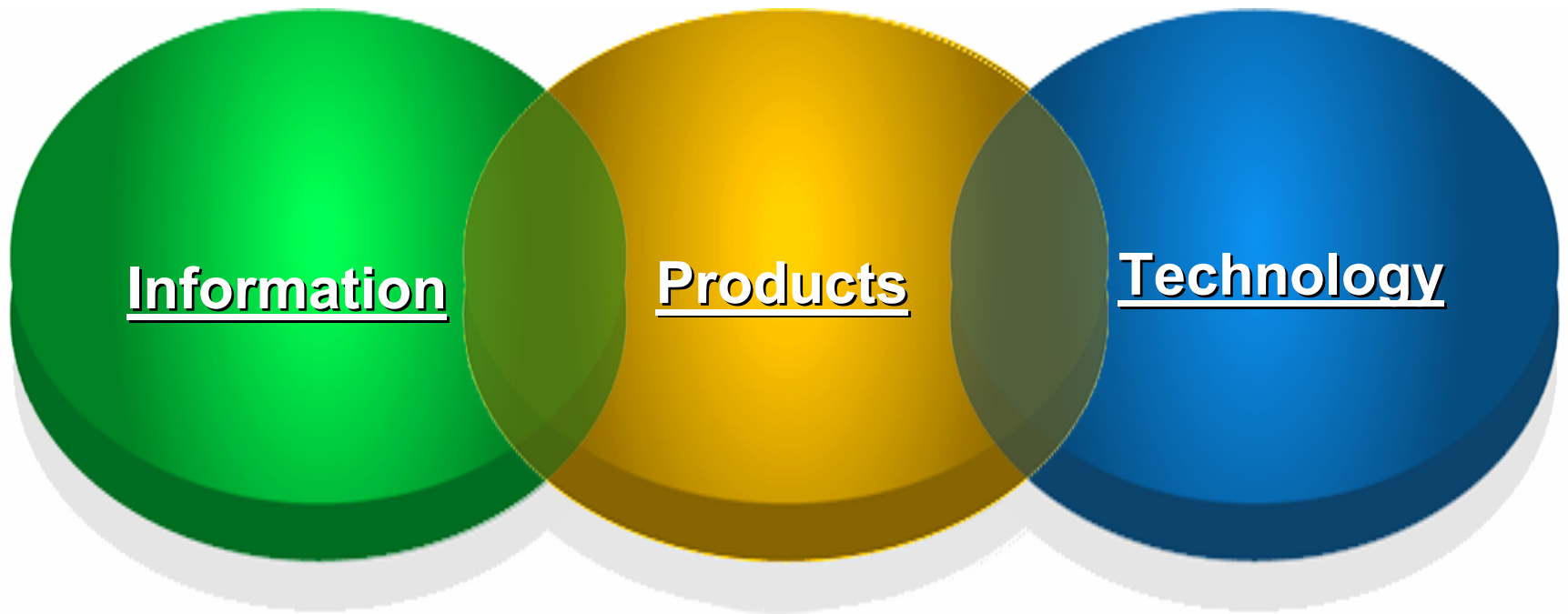


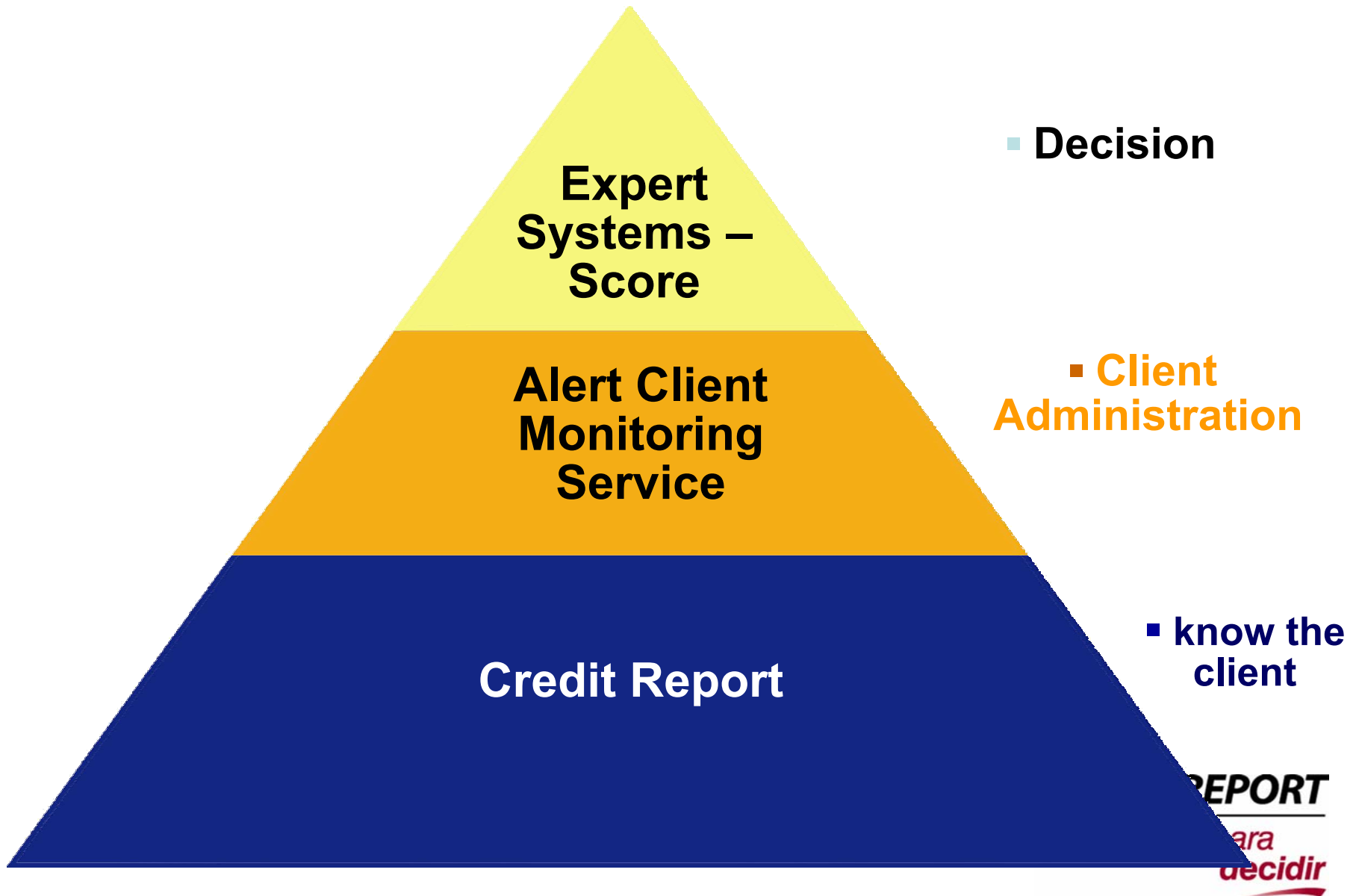
**“Next Generation Microfinance.
Gaining Scale and Reducing Costs
with Technology and Credit Scoring”**

**The Importance of Credit Information
and Credit Scoring for Microfinance Lending
in Ecuador**

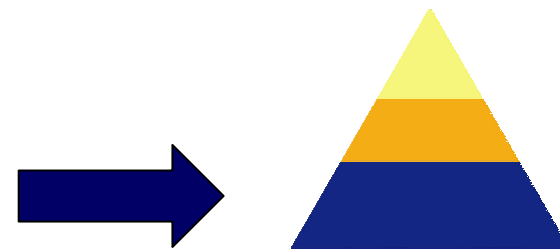
The most important between Credit Bureau and MFI



EVOLUTION, BUREAU SOLUTIONS

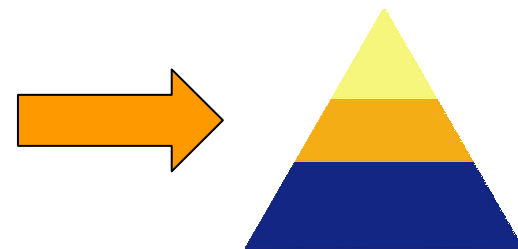


Evolution of needs MFI



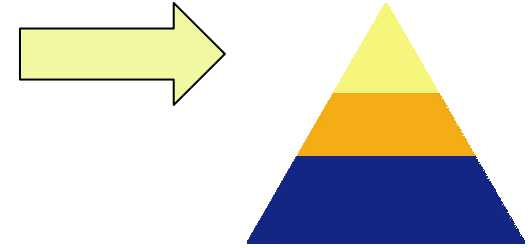
- Phase 1:
 - How much does he own?
 - Who is the client ?
 - How has he paid ?

EVOLUTION OF NEEDS MFI



- Phase 2:
 - Client Alert
 - Change in the credit profile of the clients
 - Client Follow-up

EVOLUTION OF NEEDS MFI



- Phase 3: “ second opinion ”
 - The client fulfills the credit policy?
Pre approval of credit
Non-acceptance Refusal
 - Recommendation on what to do with my client
 - For which offer of products does the client qualify?

What kind of credit information is available in Ecuador?

- Providers of Information:
 - Regulated Financial System
Superintendency of Banks
 - Non Regulated Financial System
Superintendency of Banks
 - Commercial information Positive and Negative

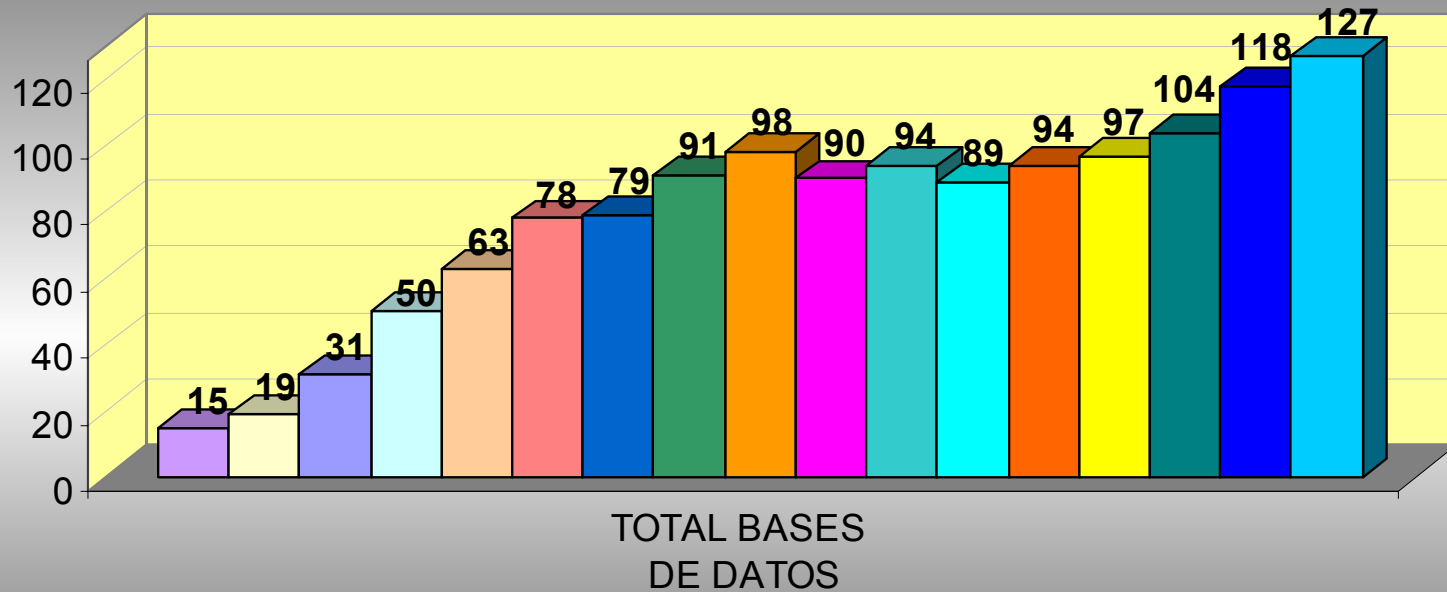
What kind of credit information is available in Ecuador?

- Credit Information Exclusively
- No available: income, patrimony
- No limit amount
- Complete detail

One of the richest information in Latin America

INFORMATION EVOLUTION

EVOLUCIÓN # BASES DE DATOS NO REGULADAS CREDIT REPORT



■ Año 2005 ■ Ene-06 ■ Feb-06 ■ Jun-06 ■ Jul-06 ■ Ago-06 ■ Sep-06 ■ Oct-06 ■ Nov-06 ■ Dic-06 ■ Ene-07 ■ Feb-07 ■ Mar-07 ■ Abr-07 ■ May-07 ■ Jun-07 ■ Jul-07

INFORMATION EVOLUTION

EVOLUCIÓN # OPERACIONES NO REGULADAS CREDIT REPORT



■ Año 2005 ■ Ene-06 ■ Feb-06 ■ Jun-06 ■ Jul-06 ■ Ago-06 ■ Sep-06 ■ Oct-06 ■ Nov-06 ■ Dic-06 ■ Ene-07 ■ Feb-07 ■ Mar-07 ■ Abr-07 ■ May-07 ■ Jun-07 ■ Jul-07

What is the status of credit approval processes in microfinance institutions in Ecuador?

- I. Incorporation of the bureau information and the decision in the applications of the MFI organization. Web services
- II. Implementation of expert systems and scores
- III. Pre approval of credit by message SMS

Case of study:

Solutions:

Implementation of expert
systems and scores
in IMFS
Ecuador

Demo scores implemented IMF

Cases

[reportes\Score y Decida IFC\Score-1.pdf](#)

[reportes\Score y Decida IFC\Score-2.pdf](#)

[reportes\Score y Decida IFC\Score-3.pdf](#)

[reportes\Score y Decida IFC\Score-4.pdf](#)

[reportes\Score y Decida IFC\Score-5.pdf](#)

[reportes\Score y Decida IFC\Score-6.pdf](#)

Cases

[reportes\Score y Decida IFC\Score-7.pdf](#)

[reportes\Score y Decida IFC\Score-8.pdf](#)

[reportes\Score y Decida IFC\Score-9.pdf](#)

[reportes\Score y Decida IFC\Score-10.pdf](#)

[reportes\Score y Decida IFC\Score-11.pdf](#)

Demo Credit Expert Systems

Cases

[reportes\Score y Decida IFC\Decida-1.pdf](#)

[reportes\Score y Decida IFC\Decida-2.pdf](#)

[reportes\Score y Decida IFC\Decida-3.pdf](#)

[reportes\Score y Decida IFC\Decida-4.pdf](#)

[reportes\Score y Decida IFC\Decida-5.pdf](#)

Cases

[reportes\Score y Decida IFC\Decida-6.pdf](#)

[reportes\Score y Decida IFC\Decida-7.pdf](#)

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[reportes\Score y Decida IFC\Decida-11.pdf](#)

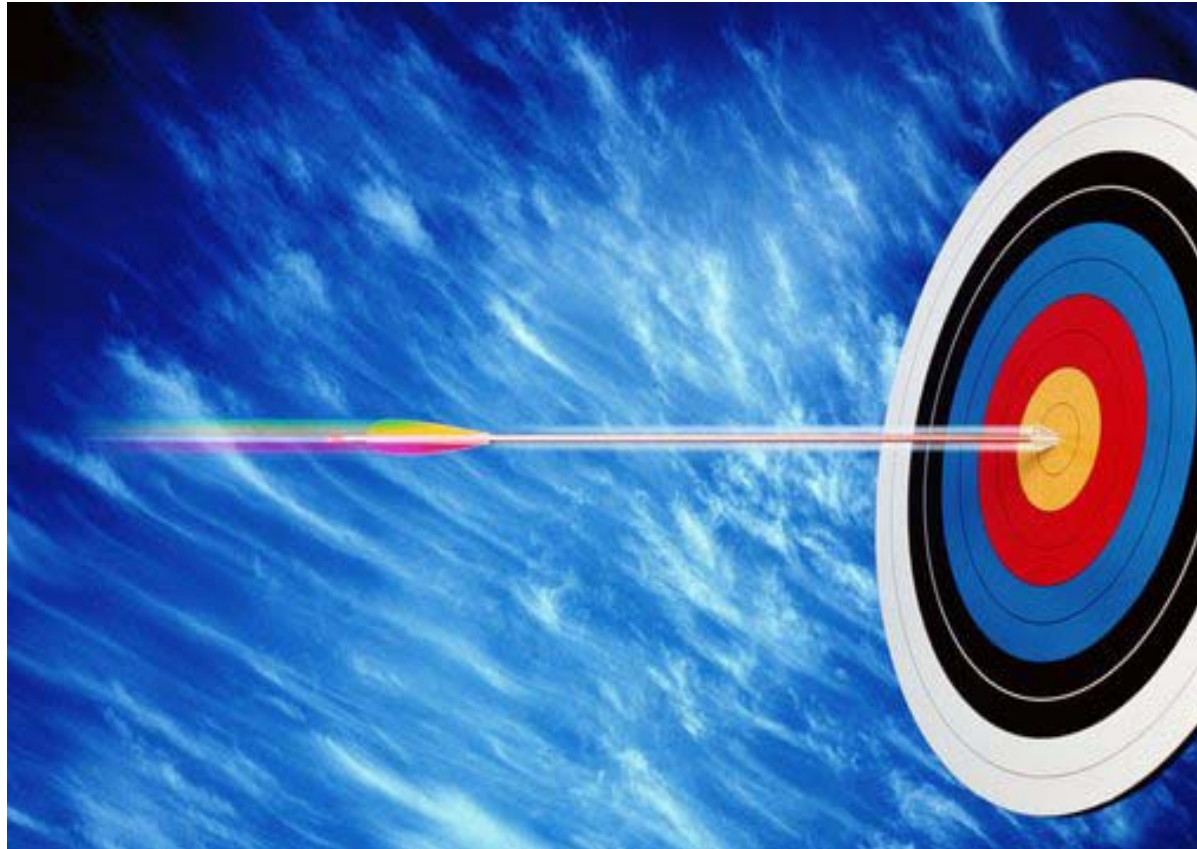
Technology and Solutions

- Technology investment is approximately USD 200 Ms.
- Technology of very easy implementation and administration

What are the benefits of credit scoring and expert systems for microlending ?

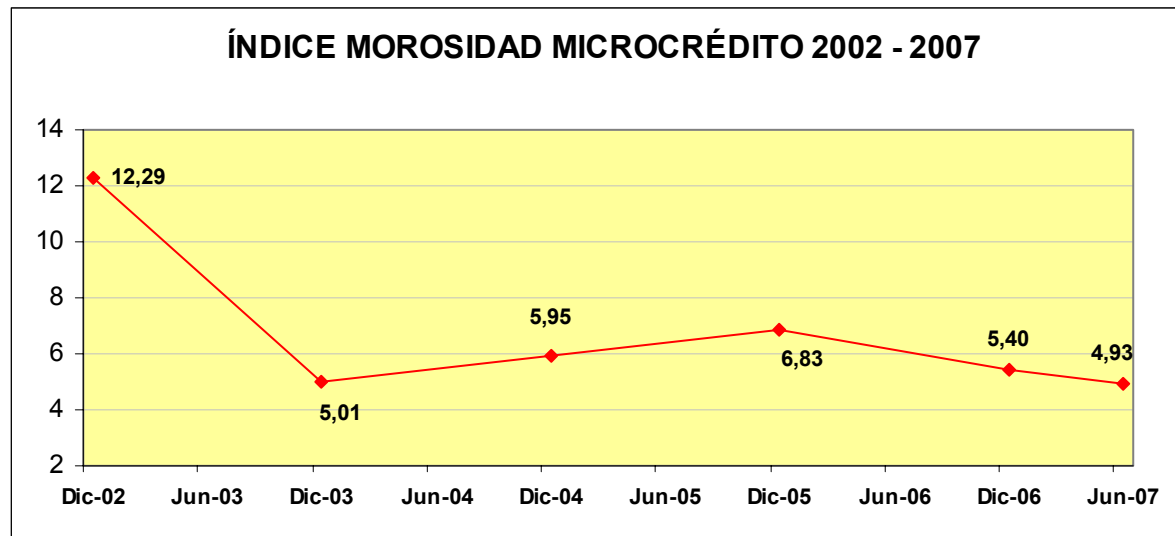
1. Reduction of costs and time of the processes
2. To make complex decisions on an objective basis
3. Supply of services according to the risk level.
Ordering clients
4. Easy implementation. Attainable organizations.

What are the benefits of credit scoring and experts systems for microlending?



CREDIT REPORT
*Información para
decidir*

What are the benefits of credit scoring and expert systems for microlending ?

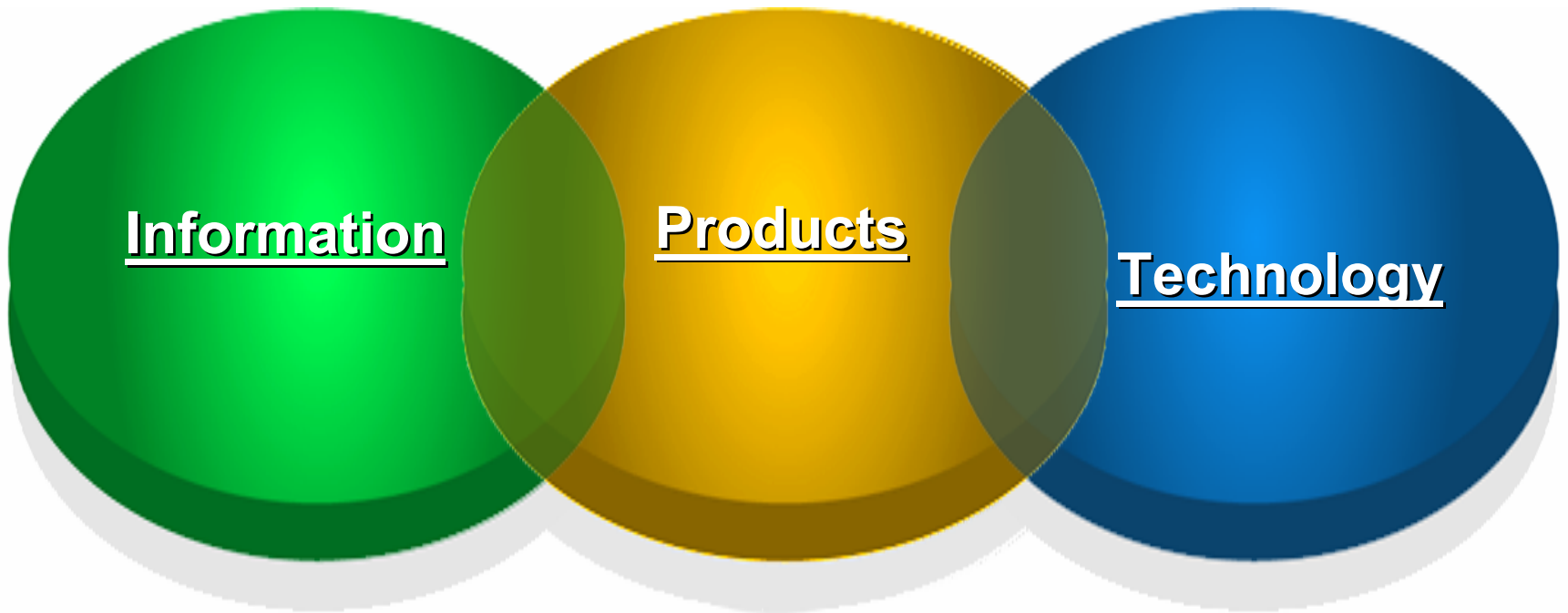


Our Challenges

- Incorporate additional information (demographic partner)
 - Age
 - Activity
 - Instruction etc
- To deepen the roll of the credit bureau in the country economy.
- To minimize political risk
- To accelerate the process of sharing information, breaking the paradigm “if I post my clients my competitors will take them away...”

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Future between credit report and MFI



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