



INVOLVEMENT OF CREDIT BUREAUS IN DIGITISED MICROCREDIT

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PRESENTATION OUTCOME



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- ☐ Understand credit bureaus and their key roles.
- ☐ Usage of credit bureau products and services to drive efficient management of credit business.
- ☐ How credit bureaus support microcredit lending.

A strong credit system promotes...

Credit to MSME

- Productive credit: promotes economic growth

Credit to Consumer

- Enhances quality of life of people

- ❑ Risk management is perceived as a two-step process:

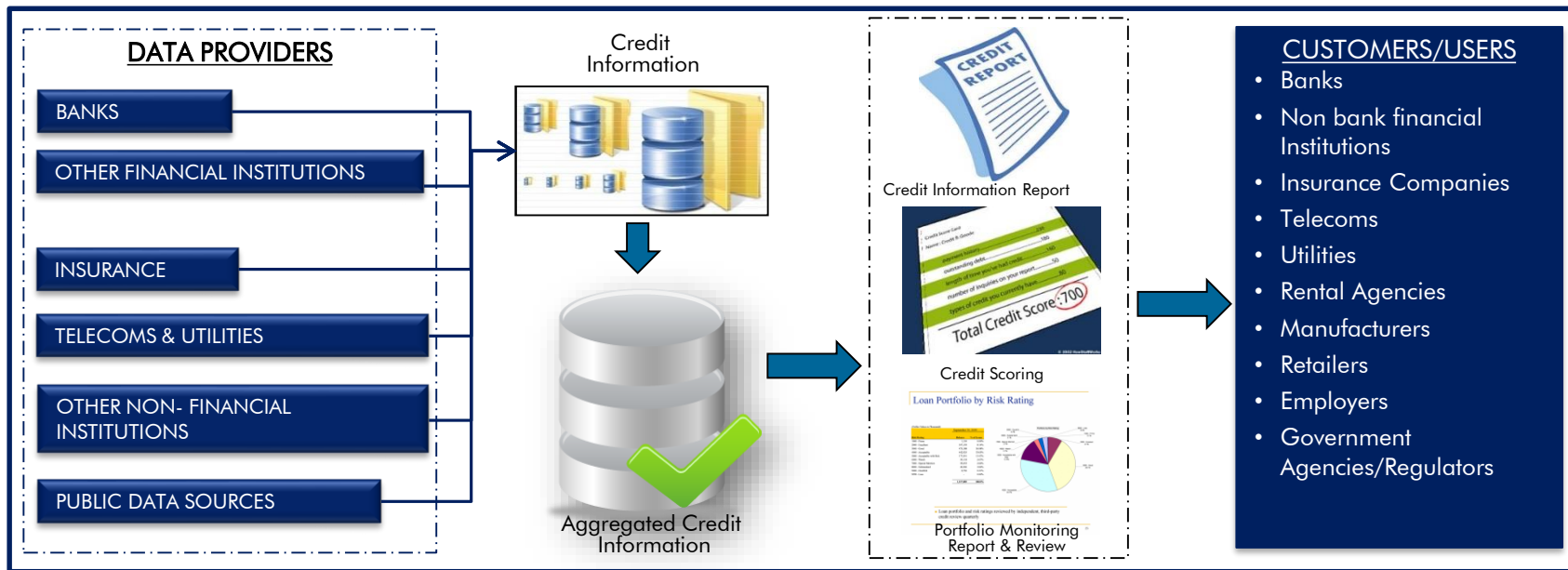


CREDIT REPORTING: CREDIT BUREAU ECOSYSTEM



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A credit bureau's operational process can be summarized in 3 steps:



CREDIT BUREAU: THE JOURNEY SO FAR



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- ❑ About 1,400 subscriber institutions *actively using the database.*
- ❑ 852 are micro lenders with 644 submitting data as at July 31, 2018
- ❑ In usage, MFBs & other institutions are showing promises and now account for about 70% of total usage.

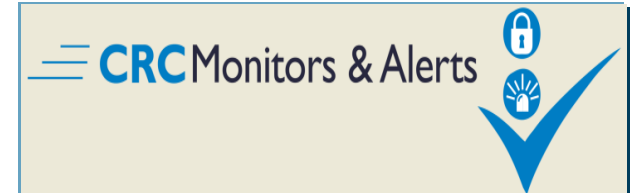


- ❑ 2.8 Million records submitted in 2010 to over 20 Million in 2018
- ❑ Deposit Money Banks still account for over 80% of the data supplied to the credit bureau.

CREDIT BUREAU PRODUCTS TO REVOLUTIONISE LENDING



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Mobile Credit Check Service

CREDIT SCORE – A POWERFUL TOOL

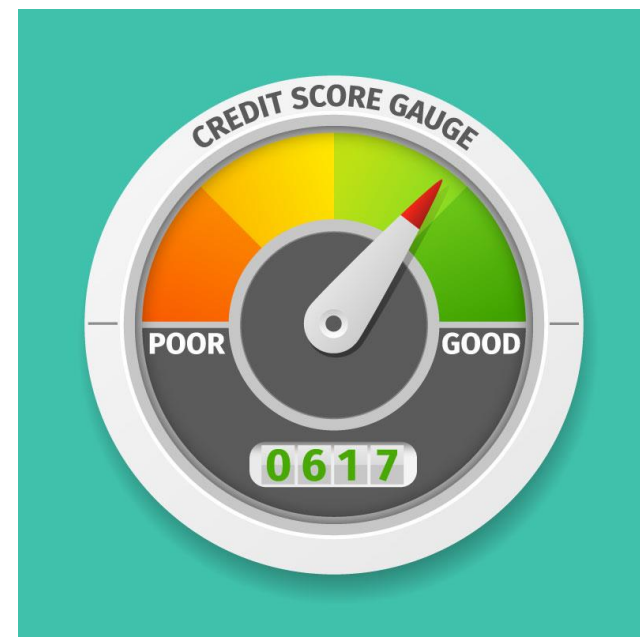


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“Credit Scoring is the use of a numerical formula to assign points to specific items of information to predict an outcome.” – G. Chandler

A credit score is a three-digit number that is an indicator of your credit worthiness. In other words, it's a tool that helps a creditor or lender gauge its risk level if you are approved for a loan or granted credit

Credit scores are calculated from the Credit Report, and the credit bureau should provide you with reasons that most heavily influenced that particular score



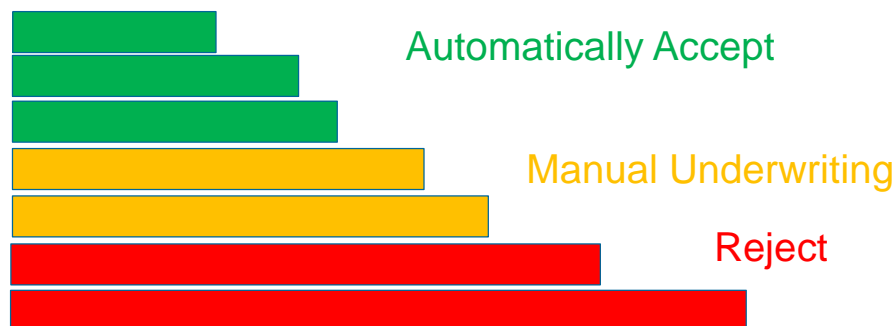
The credit score is a number that summarises credit risk, by converting the contents of a credit information report at a particular point in time to a score

WHAT GOES INTO A CREDIT SCORE



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- ❑ **Payment History** – This reviews the degree of compliance to agreed payment terms such as frequency and time of payment
- ❑ **Amount Owed (Outstanding Debt)** – This reviews the amount owed in all the subject's account, the number of accounts with balances and how much of available credit the subject is using
- ❑ **Length of Credit History** – Longer credit history increases the credit score of the subject
- ❑ **Credit Mix** – Having a mix of credit types (Credit Card, installment loans and personal lines of credit) can slightly add to the subject's credit score
- ❑ **Pursuit of New Credit** – If the subject has recently applied for or opened a new credit account.



SUPPORT FOR DIGITIZED MICROCREDIT

- ☐ LIVE REQUEST
- ☐ API
- ☐ MOBILE APPLICATIONS
- ☐ LIVE DATA UPDATES

MEDIUMS OF ACCESSING SERVICES



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DIGITISED MICRO CREDIT LENDERS - A POWERFUL TOOL FOR FINANCIAL INCLUSION



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Automating credit bureau services allows:

- Performance of all traditional loan processing / underwriting in a paperless environment
- Swift, accurate lending decisions based on technology driven scoring models
- Quality data submitted to the bureau
- Live data updates.
- Loans accessed 24/7
- Data obtained digitally
- Applicant knows status of loan within seconds
- Credit searches are automated for volume applications
- Data driven analytics
- Automated continuous monitoring of customers thereby reducing risk of default.

ABOUT CRC CREDIT BUREAU LIMITED



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- CRC Credit Bureau Limited got licensed by the Central Bank of Nigeria in June 2009 and also commenced live operations in June 2009.
- Awarded the Best Loan Applications Service Provider by Capital Finance International UK.
- Awarded the Most Innovative & Impactful Credit Information Service Provider in West Africa.
- We currently have over **20 Million** credit records in our repository and growing daily.
- Our customer base covers about **1400 institutions** as at **July 2018** from various sectors of the Nigerian economy (see next slide for coverage).



CRC DATA PROVIDERS



CRC OWNERSHIP STRUCTURE

- CRC Credit Bureau is owned by Twelve (12) investors of which;
 - ❖ Eleven (11) are Nigeria foremost Commercial Banks, and
 - ❖ One (1) is both a technical partner and investor (i.e. Dun & Bradstreet International)





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