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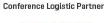
















Gaining Efficiency through Digital Processes and Systems

- Archil Barukadze, Founder & Chairman of Crystal Microfinance (Georgia)
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- Elwin Groenevelt, CEO, QREDITS Microfinance (The Netherlands)
 - Fasttrack application process for SMEs





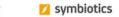












Gaining Efficiency through Digital Processes and Systems #2019MFC

30 May 2019



Financial Inclusion Organization



Crystal – Financial Inclusion Organization



1,000+ Employees



104,000 Consumers



62 Branches



\$100m Portfolio



B/Stable

FITCH Rated



Georgia's Responsible Business



Implemented IFRS 9



Issued Corporate
Bonds

Pain Points in Instalment Loans

- Time, effort translated into high transaction cost for customers
- Paper-based and slow business process
 - Customer on-boarding
 - Loan application
 - Vendor reporting and settlement
- Human-input based underwriting





Solutions-based approach

- Online lending platform AKIDO
- Efficient loan origination
 - Customer on-boarding
 - Loan application
 - Vendor reporting and settlement
- Automated decision-making
- Improved customer experience
 - Time-To-Yes
 - Reduced transaction cost
 - 0% loan



Results

Positive

- Effective customer acquisition channel
- Bargaining power with vendors
- Competitive advantage
- Bundled with advice
- Positive customer feedback

Negative

- Operating risks related to merchants
- Unexpectedly high number of new customers translated into pressure on branches and inadequate collection capacity





THANK YOU.

Hall 10 Expo Georiga 118 Tsereteli Avenue Tbilisi, Georgia

https://ir.crystal.ge





MasterAPS

Loan Origination System Implementation at Banca Intesa Serbia



MFC Conference, Istanbul, May 2019







Experience: 15 years

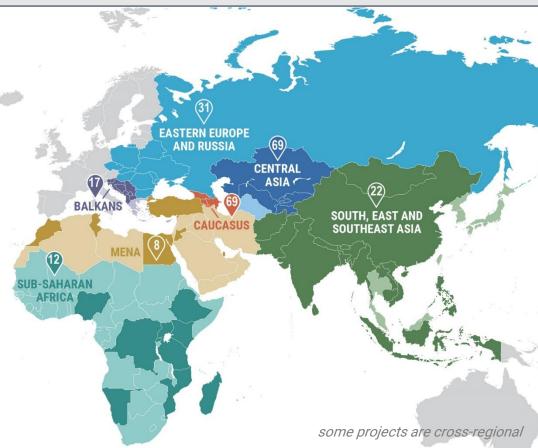
70 **Countries:**

218 **Projects:**

Core team: 116

Strategic >50 partners:

Offices:







BFC at Glance



Management Consulting

- **Agriculture Finance**
- Microfinance & Retail Lending
- **SME Finance**
- **Strategy Development**
- **Green Finance**
- **Financial Education**



Research

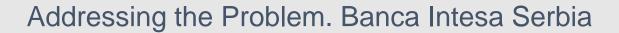
- **Access to Finance**
- **Investment Feasibility**



Analytics

- **Due Diligence**
- **Credit Scoring**
- **Risk Management**







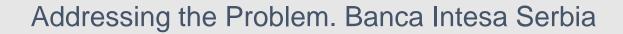
Credit process pain points

Inefficient credit process

 >15 days TtC, 12 roles involved, complex & invisible WF, centralized decision making, complex verification, no automated/rule based decision making practice

Inefficient data management

 inefficient data exchange, poor database integration, excessive data loss, no DWH, absence of credit process monitoring and reporting function





Credit process pain points

Inefficient information exchange

phone and email communication, no information track recording and logging

Limited credit process and staff management capacity

 no machine measured metrics, no real time operational performance monitoring, no instant sales staff performance monitoring

In general: Lack of credit process Single Point Service







Self-Hosted Application



Document and Log History Tracking



Data Integration, Processing & Storage



Customizable Forms and Fields



Reporting Engine



Embedded Evaluation Engine



Workflow Configurator



Notifications and Alerts



Secure Account Management

Important!

- 1. MasterAPS installed on Bank server
- 2. No client data exposed to third-party service providers







Show Case. Banca Intesa Serbia

Achievements

(as compared to 2016, without MasterAPS)



Reduced time-to-cash by 29.3%	Instant impact
Streamlined credit cycles	Reduced processing
Increased management capacity	Productivity boosted
Redefined job descriptions	Updated roles
Created a farmer sales center	Updated sales plan
Partially decentralized decision-making	Alleviated bottlenecks
Provided portfolio segmentation and analysis	Enhanced analytics
• Cumulative effect = reduced time-to-cash by 53.6 %	Boosted efficiency





Show Case. Banca Intesa Serbia

Achievements

(as compared to 2016, without MasterAPS)

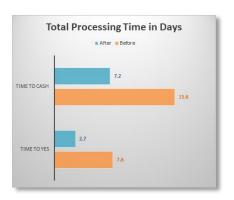


- 53.6% reduction in time-to-cash
- 63.9% reduction in time-to-yes



- 63.3% increase in the volume of loans disbursed
- 26.9% increase in # of loans disbursed





- 26.1% increase in number of agricultural clients
- 6.2% increase in client retention rate
- **30.8%** growth of the outstanding portfolio





Testimonial. Banca Intesa Serbia

TRUSTED BY BANCA INTESA

What Our Clients Say

September, 2018

BFC's APS, with its variety of built-in and customized reports, provides us effective control over sales force results and efficiency, operational activities, and decision-making statistics. Moreover, we are now in a position to collect and store all financial and non-financial data for a challenging client group. A huge and valuable database was already collected within one year of using BFC's APS.

Banca Intesa a.d. Beograd (Serbia)



Maja Andonov Head of Small Business Client Department With BFC's APS we have optimized our decision-making process, reshaping it and easily moving from a fully centralized model to semi-centralized. After implementing BFC's APS within our standard decision-making process, we managed to reduce processing time by 30%. With partial decentralization of the process through BFC's APS we expect to reduce it by 50%.

Banca Intesa a.d. Beograd (Serbia)



Djordje Radulović Head of Agriculture Sales Management Office

*MasterAPS implementation in April 2017 through the end of 2018

Banca Intesa Serbia Show Case

21 months* of MasterAPS use resulted in:

- More than 17,000 applications processed
- More than 16,000 loans disbursed
- More than EUR 89 million disbursed







Thank You!

For more information, visit website:

http://maps.bfconsulting.com/





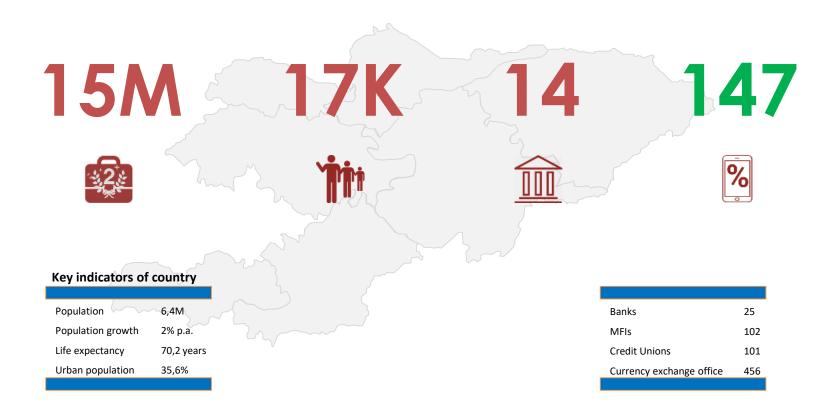
Agrifinance · SME Finance · Microfinance · Green Finance

First MicroFinance Company Kyrgyz Republic

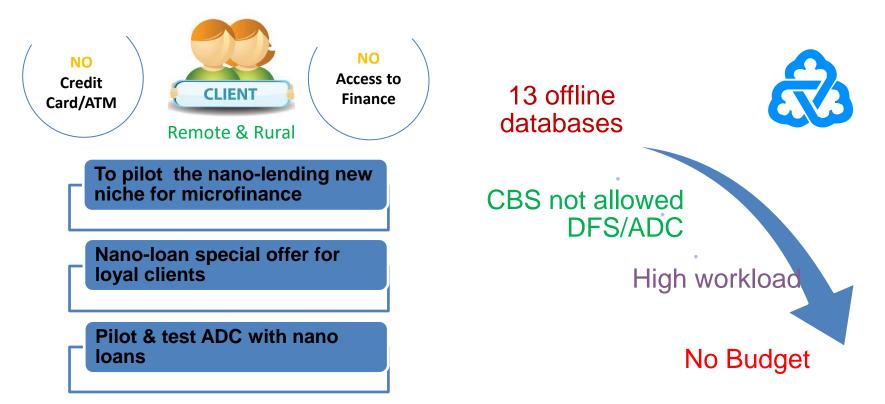
Workshop on digital solutions to increase efficiency



Company/Market Snapshot



Product & Company Efficiency pain points



We were very creative to find the best solution

One operator, two systems, all clients

\$ 700



Service Development

Partner





Unexpected issues and positive results

Nano Credit Line Terms and Conditions

- Tranche Amount: 7 USD -150 USD
- Nominal Interest Rate: 0%
- Commission fee: 5%
- Contract lifetime: up to 24 months (minimum lifetime is 3 months).
- Tranche term: 2 months from the date of issue
- Credit Line: Revolving

Nano Credit Line Portfolio Performance

- Pilot started: September, 2017
- Sept, 2017-April 2019: 4505 disbursements, USD 557,817
- Outstanding loan portfolio: 741 loans, USD 73,273



E-wallet Operator/Partner copes our product and launched similar product in their application

Recommendations for product implementation

Close partnership with **regulator** (National Bank), to discuss every step and product feature

Close partnership with **partners which have infrastructure**, we plan to integrate our products to all existent platforms

Be creative, to use the current infrastructure, even it does not allow many opportunities (online financial services)

The product pilot allowed us to analyze the current company operations and to create the Company's Digital Transformation Strategy

Organization



98 employees



600 volunteer mentors



€ 246 Million in funding

Social impact



25.000 iobs

created



€ 45 Mln

government savings

: 86%





Loan products



13.000 Microcredit



900 MKB-kredieten € 80.000.000

> 500 Caribbean

Education

E-learning in 6 languages



13,000 courses taken



5.000 students EigenBaas





Qredits

Identified pain points



- The personal home visit for each new applicant screening is the most important part of the Qredits risk assessment.
 - Costly and time consuming pain point to scale up organization
- Customer expectations have changed under the influence of digitalization and new competition (e.g. Fintech)

While exploring digital solutions, two challenges need to be addressed:

- How to identify our customer
- How to detect fraud

Fasttrack application process











2 to 5 days

Initial Assessment

- · Customer applies online
- · External data is added
- First 5 min check (employee)
- Automatic Qredits-score (1-10)





Screening

- Score >7 qualify for Fasttrack
- · Choice for video call or visit
- · Call max 30 min.
- Report max 30 min.







Digital approval & Contracting

- Contract send by e-mail
- Identification through bankaccount
- Signing through bank security
- Customer friendly, by PC or phone





- About 25% of applications qualify for fast track process.
- Disbursement of the loan within 5 working days (was 20).
- Customers prefer video call, although they can opt for a personal visit
- In-house loan officers can do the video calls.
- >40% more loans disbursed, with only a small increase in personnel (both loan officers and back office)
- Applications that went through fast-track process have lesser payment problems
- Loan officers can spend more time on customers that appear to be at higher risk based on the data alone.









Gaining Efficiency through Digital Processes and Systems Questions & Answers

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Mini-Workshop: Key issues for digital transformation

Financial

 When Management & Governance don't want to pay the price for it

Technological

 When legacy systems are a burden and prevent us from starting anything

People

 When getting people onboard across the company is difficult

IT Department

 My IT people are always too busy and I have a hard time communicating with them

Main Objective: Identify tips, methods & technics to overpass these issues

























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