



FINCA®

FINCA News

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The Power of a Fingerprint

Oliver “Spy” Kamwendo is the owner of Spy Auto Parts, a thriving business located near Blantyre market and the head FINCA branch in Malawi. Growing up, Spy learned about entrepreneurship from his father, who involved Spy and his eight brothers and sisters in various business ventures. Today, in addition to running his automotive parts shop, Spy also sells clothing and exports sculptures to South Africa.

When FINCA was looking to deploy a network of banking agents in Malawi, Spy was a clear choice.

A banking agent like Spy is a business owner contracted by FINCA to process clients’ financial transactions.

Using point-of-sale terminals equipped with biometric scanning, FINCA customers identify themselves with just their fingerprints. They can easily and conveniently pay bills, make deposits, withdraw or transfer funds, or view account balances without visiting a branch office.

Spy’s proximity to a main branch allowed FINCA staff to closely assist clients until they became comfortable banking digitally and through a third party. By putting banking services near the market where many FINCA clients operate stalls and restaurants, clients saved precious time and money.

FINCA first piloted agency banking in the Democratic Republic of the Congo (DRC) in 2012. The idea was to reach more clients at a lower cost with increased convenience. Five years later, more than 80% of financial transactions by FINCA clients in the DRC are done through “FINCA Express” banking agents.



Photo by David Soll

FINCA client in Malawi conducts banking services using biometric scanning at Spy’s shop.

Because of success in the DRC, FINCA expanded agency banking to Tanzania, Zambia, Nigeria, and Malawi. This paired 71 brick and mortar FINCA branches in these five African countries with more than 1,600 banking agents, which has dramatically scaled the reach and delivery of financial services to hardworking entrepreneurs. FINCA intends to continue investing in the rollout of agency banking to bring responsible banking to a greater number of the world’s poor.

FINCA—in partnership with the Mastercard Foundation—recently released a case study detailing the multi-year journey deploying agency banking in sub-Saharan Africa. This case study outlines ten strategic, operational and technical learnings that other financial institutions can consider when implementing a similar program. Read the full case study online by visiting FINCA.org/newsroom, or contact us to request a copy.

Letter from the President



Dear Friends,

When FINCA launched its first Village Banking™ programs in Latin America in 1985, it was completely transformative. Today, a spirit of innovation continues to drive the FINCA mission and its programs, all made

possible by your enduring support.

Numerous innovations—such as agency banking, biometric scanning, and mobile phone wallets—are reinventing the delivery of microfinance services to FINCA clients. Other technologies—such as solar lighting systems, efficient cookstoves, and clean water filtration systems—are improving health and saving FINCA clients precious time and money. Combined, these advancements help poor families live more

resilient and productive lives, and raise their standard of living.

FINCA will continue to adopt and scale technology to deliver efficient, customer centric products while still maintaining close relationships with its clients. Partnership is critical to advancing such innovation, and I am grateful for the many and varied ways supporters like you have partnered with FINCA over the years. I look forward to all we will achieve together in 2018 and beyond!

Wishing you a wonderful holiday season,



Rupert W. Scofield
President,
FINCA International

Expanding Financial Inclusion through Innovative Credit Scoring

If you have ever applied for a credit card or a home mortgage loan, then you know the importance of your credit score. Without a credit history, accessing a loan would be seemingly impossible.

For more than three decades, FINCA has been serving clients at the bottom of the pyramid who lack a traditional credit score. Now, thanks to innovative developments in credit scoring technology, FINCA is able to bring responsible financial services to even more of the world's poor.

FINCA has partnered with Entrepreneurial Finance Lab (EFL), an innovative credit scoring company, to improve the lending experience for FINCA clients in Guatemala using alternative scoring methodologies.

EFL uses psychometric data and mobile phone usage information to determine the repayment risk of FINCA clients. After filling out an application, a potential client's data is analyzed in real time to produce a credit score that assesses his or her ability to repay a loan.

“FINCA helps over 30,000 Guatemalans to access small loans, insurance, and other financial products to improve their lives. With the help of EFL and its alternative credit scoring system, FINCA Guatemala will be able to reach thousands more in the country with needed and critical small business loans.”

Sona Gandhi, CEO of FINCA Guatemala



Sona Gandhi, CEO of FINCA Guatemala

New Mobile Savings Product for Rural Populations in Tanzania

More than two-thirds of Tanzanians still live in rural areas, and only 37% of these adults live within three miles of an access point to a financial service. It is no surprise then that just 8% of Tanzanians hold a formal bank account.

To help dramatically scale the reach of financial services and serve the 81% of Tanzanians still financially excluded, FINCA recently partnered with mobile network operator, Halotel, on the launch of HaloYako—a first of its kind mobile savings product.

With a free account, FINCA clients in Tanzania can now conveniently and securely save money to a mobile wallet, and even set savings targets—like paying for their children’s education—to encourage

a behavior of saving. As clients achieve their financial goals, they will earn free mobile airtime for making calls or sending text messages.

“It took FINCA 20 years to reach 900,000 clients...In two weeks of launching HaloYako, 30,000 people have opened accounts. This goes to show how financial technology plays a critical role in lowering transaction costs and expanding access to financial services.”

Issa Ngwegwe, Managing Director of FINCA Tanzania

FINCA, in partnership with Halotel, is running a product awareness campaign to underscore the importance of saving, the benefits to low-income business owners, and to educate clients on how the new technology works.

Women like Salama Msumi are already benefitting. After receiving hands-on training with a HaloYako community mobilizer, Salama opened an account and is using the platform to set aside future investments for her small business. Now Salama can be counted among the world’s financially included, with the power of easy-to-use and convenient financial services in the palm of her hand.



Photo by Clemence Sinkamba

FINCA client Salama Msumi receives one-to-one training for her mobile savings account.

BrightLife Clients in Uganda Report Positive Impact

More than two billion people live without or with very limited access to electricity. They are forced to rely on polluting, hazardous and expensive fuel alternatives, such as kerosene, wood and charcoal.

To change this, FINCA launched BrightLife, a social enterprise in Uganda providing last mile distribution and financing for life-improving products, including home solar lighting systems and clean cookstoves.

FINCA recently completed focus groups and a user survey to assess clients’ perceptions of their

BrightLife products. Here is a preview of some of the benefits these clients have shared with us:



90% reported health improvements such as better eyesight, less burns, and fewer respiratory problems



90% of solar customers and **60%** of cook stove customers reported improved household security

Supporting the Rise of Social Enterprises

FINCA aims to improve the standard of living for the world's poor by supporting the rise of social enterprises. These are businesses devoted to the development of financial technology ("FinTech") solutions, and high quality and extremely affordable products and services for under- and un-served markets.

That's why FINCA created FINCA Ventures—to provide early stage capital and strategic support to social enterprises committed to innovative, market-led solutions to poverty.

Dr. Fred Seymour, a FINCA board member, knows the importance of social entrepreneurship. As a co-founder of PrimeStar Solar Inc., Fred helped develop and manufacture renewable energy solutions in the United States. To help FINCA invest in startup companies bringing similar life-improving technologies around the world, Fred and his wife, Marggi, made a financial contribution to support FINCA Ventures. And their donation is already hard at work.

This platform has enabled, for example, a social enterprise delivering solar energy products to more than double its reach in Uganda. And because of FINCA's grasp of the local market, FINCA Ventures even helped influence product development, paving the way for new products—like a business-in-a-box solar kit—to deliver game-changing solutions for clients.



Dr. Fred and Marggi Seymour

If you are interested in helping FINCA support the rise of even more social enterprises, please contact Colleen Zakrewsky, Chief Development Officer, at (202) 971-4627 or Colleen.Zakrewsky@FINCA.org.

3-to-1 Matching Gift Challenge

As announced last month by our Ambassador of Hope, Natalie Portman, thanks to a special 3-to-1 matching gift your contribution will go four times as far between now and the end of the year! Your gift and the match will help more women become engines of change, better providing for their children.

Donate online today at FINCA.org/match.

Provide a Legacy Supporting FINCA Clients for Generations to Come

- ✓ **Stocks, Bonds or Mutual Funds**—Support FINCA with a gift of securities.
- ✓ **Bequest**—Include FINCA in your will or living trust.
- ✓ **Retirement Plan**—Make a qualified charitable distribution from a traditional or rollover individual retirement account (IRA) to FINCA.

For more information about any of these gift opportunities, please contact Bill Lane at Bill.Lane@FINCA.org or (202) 971-4695.



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