

## 2023-01 | Expert Credit Scoring Implementation for Agricultural and Business Loans at Mobilink Microfinance Bank, Pakistan

Financial sector partner (FSP)	<a href="#">Mobilink Microfinance Bank</a>	SCBF contribution	CHF 54'482.5 (31,5%)
Grantee/TA provider	<a href="#">Business &amp; Finance Consulting</a>	Matching contribution	CHF 54'482.5 (31,5%) - AGFUND CHF 60'950 (35%) – FSP CHF 3'800 (2%) – Grantee
Country	Pakistan	Theme	Financial Capability
Duration	Feb 2023 – Jan 2025	Product	Loans
Potential outreach	40,320	Target group	Women and Rural Clients
Thereof women	35%		

### CONTEXT

In Pakistan, only an estimated 21% of the residents are financially included, with women disproportionately underserved within the country's financial system. In response, the government of Pakistan has adopted a number of initiatives aimed at bolstering this figure. The efforts towards this end are mainly focused on financial literacy, easier account registration processes, improved financial infrastructure, and the promotion of digital banking solutions. The State Bank of Pakistan has also developed a gender mainstreaming policy to enhance women's financial inclusion in the country.

With a target customer base of an estimated 39 million people and businesses that have no or limited access to formal financial resources, Mobilink Microfinance Bank Limited (MMBL) is focused on boosting financial inclusion in Pakistan through innovative solutions and targeted outreach initiatives to more socially-vulnerable groups, especially women and rural inhabitants. The development of a tailored credit scoring solution will enable MMBL to accomplish this goal more efficiently and effectively.

### CURRENT STATUS OF THE FSP

MMBL has taken a proactive stance towards positively impacting the socio-economic environment in Pakistan, including through the use of innovative, transparent, and customer-centric approaches. As a part of this effort, MMBL has developed niche products and services for socially-vulnerable groups. One such initiative is the Women Inspirational Network (WIN) initiative, which combines a number of financial and non-financial products and services that unlock economic freedom for women in Pakistan. To accomplish this, MMBL leverages a combination of more than 100 brick-and-mortar branch locations, a smartly-designed online customer journey process, and approximately 2,000 dedicated staff.

This project will facilitate MMBL's increased outreach, especially to women rural inhabitants. In particular, SCBF support will allow MMBL to dedicate more resources to working with socially-vulnerable groups by reducing the number of resources it needs for non-customer-facing credit processes, ultimately allowing MMBL to expand its outreach in terms of both physical numbers reached and time dedicated to helping socially-vulnerable groups understand the value and importance of formal financial products and services.

### OBJECTIVES AND MAIN ACTIVITIES

The ultimate goal of this SCBF intervention is to increase access to financial services, including credit products, for traditionally unserved and underserved groups in Pakistan, especially women and rural inhabitants. This will be accomplished through the development of a tailor-made credit scoring solution that will increase both the outreach capacity of the bank as well as significantly reduce conscious and unconscious biases in credit decision-making processes. This will involve an in-depth assessment of MMBL's existing credit process, the development of an appropriate credit scoring solution, targeted training for bank staff, and a piloting period to ensure the solution is tuned properly to the current context in Pakistan. Upon project completion, MMBL should be in a position to better reach and serve traditionally unserved and underserved groups in Pakistan.

#### Partnering with:

