



MADAGASCAR – FRONT-END DIGITIZATION OF THE LOAN APPLICATION PROCESS

IMPROVING THE EFFICIENCY OF CREDIT EVALUATION PROCESSES

GFA is supporting AccesBanque Madagascar to increase efficiency of the internal loan application and evaluation processes through the development of a tablet-based application.

The development of this application is part of a larger-scale technical assistance project to AccesBanque Madagascar (ABM) with the objective to improve access to financial services adapted to the needs of the low-income population. As within most microfinance banks, the loan application processes of ABM are predominantly paper-based and require the manual data entry of customer information into the Management Information System (MIS) of the institution. This process is typically lengthy, inefficient and prone to errors.

OBJECTIVES

The key objective of this project component is to increase the efficiency of the internal loan evaluation through an acceleration of the loan application processes of ABM. Collecting and analysing client information can be a challenging and time consuming step of the loan cycle for financial institutions. This process involves the manual data collection at the client's premises through the loan officers who then manually calculate the client's cash flow before a decision is taken. However, this process may take up to several weeks and clients may drop out due to the lengthy process.

TABLET-BASED DIGITAL FIELD APPLICATION

To address the pain-points in this process, the GFA team analysed the credit process of ABM, recommended improvements, and defined the technical architecture of the software solution plus its integration to the banks' MIS. A local software company developed the tablet-based digital field application. Afterwards, the application was then piloted for agricultural and SME clients of ABM.

The solution implemented at ABM encompasses both a tablet- and a web-based interface. While the loan officer can instantly upload client information to the server, managers can monitor the progress of the application and take a decision using the web-portal. The digital field application offers various features and advantages: For instance, the time spent on each application can be tracked. Moreover, the cash-flow analysis is automated and an instant sum-

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mary is provided at the end of the data collection. A scenario analysis is also possible directly in the tablet-based application. Specific industry data can be entered into the system, thereby increasing the accuracy of the loan analysis. The integrated dashboard provides a global overview on the loan portfolio, the progress of individual loan applications can be reviewed and actions can be taken by management staff.

