

First Access

Accion Venture Lab – Achieving Financial Inclusion

July 2015



Enabling people access to quality financial services globally – that is what financial inclusion is striving for.

Venture Lab is an investment initiative that provides patient seed capital and support to innovative financial inclusion start-ups, fostering experimentation and promoting business models that improve financial access for people living in poverty worldwide.

Since these start-ups traditionally lack access to capital and assistance, Venture Lab provides flexible financial and non-financial support to suit the needs of each investee enterprise, as follows:

- **Investment:** Venture Lab typically invests U.S. \$100,000 to \$500,000 in equity or quasi-equity instruments. Venture Lab welcomes opportunities to co-invest with like-minded investors and bring others to the table.
- **Support:** Venture Lab prefers to be an active investor and bring to bear the people and resources of the global Accion network to maximize the chance of success. In addition to day-to-day support from the Venture Lab team, investee companies may be connected to Accion's in-house technical experts (technology, risk management, etc.), microfinance teams and customers from partner institutions around the world, and the global banking and investing community.

Company Profile

- Name: First Access
- Based in: New York
- Year founded: 2011
- Geographical focus: Tanzania and Kenya
- Number of employees: 16

Nicole Stubs, who earned a master's degree in Public Administration in Development Economics from Columbia University, co-founded First Access and serves as CEO.

The Opportunity

In Tanzania and Kenya, microfinance is growing fast, however the process of lending to consumers at the base of the pyramid remains very time-intensive and costly due to a lack of centralized data and credit bureaus. Traditionally, loan officers visit people seeking loans personally, collect data through conversation and enter the data manually into an MIS system.

Business Model and Strategy

First Access offers alternative credit scoring software to financial institutions in Tanzania and Kenya. In collaboration with mobile network operators, First Access collects information from potential borrowers' phone records to determine new credit scores and/or provide additional information to existing credit ratings.

Innovation

First Access's innovation provides instant credit scoring by asking the borrower to access his mobile prepaid phone history and determining a corresponding credit score. Credit bureaus and financial institutions receive credit scores instantaneously.

Challenges

The company faces challenges in contracting both mobile operators and financial institutions in Tanzania and Kenya. Since credit bureaus either do not exist or are unable to collect information for low income segments of the population, First Access currently has no direct competitors.

Social Impact and Financial Inclusion

First Access allows more people at the base of the pyramid to access credit products, and in addition, thanks to higher-quality information available to lenders, they are able to offer loans at lower rates than previously.

Venture Lab

First Access receives vital support from Venture Lab through managerial advice, governance and seed capital.

For more information, visit First Access' website at:

www.firstaccessmarket.com

