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Presentation:

Africa CIS Landscape

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Evolution of Africa CIS Landscape

Four critical things that have impacted evolution

- Purpose / reform agenda
 - a. Access to finance / financial inclusion – 2003-08; A2F more businesses, jobs & improved welfare
 - b. Pricing risk: Expected loss – probability of default would now be scientifically derived, Basel
 - c. Vs. banks who actually wanted to reduce information asymmetry & moral hazard, and were nervous about losing good clients to competition
- The start:- negative data vs full file credit reporting – perception of blacklist e.g Kenya & Uganda
- Public Credit registries vs Private Credit Bureaus
- Quality and quantity of data - we've come a long way – EA SME score card: product range has evolved slowly

Africa CIS Landscape

Historical evolution:

- Access to finance – what we sold to governments: 2003-2007:
 - Credit scoring for individuals and SMEs as an enabler
 - AfDB study in 2012, with data from 42 countries to check: on average access was better for countries with private credit bureaus compared to public registries or no institution
- Pricing risk:
 - Basel 3: Estimating expected loss – probability of default, loss given default
 - Risk based supervision
 - Room for improvement – Kenya example

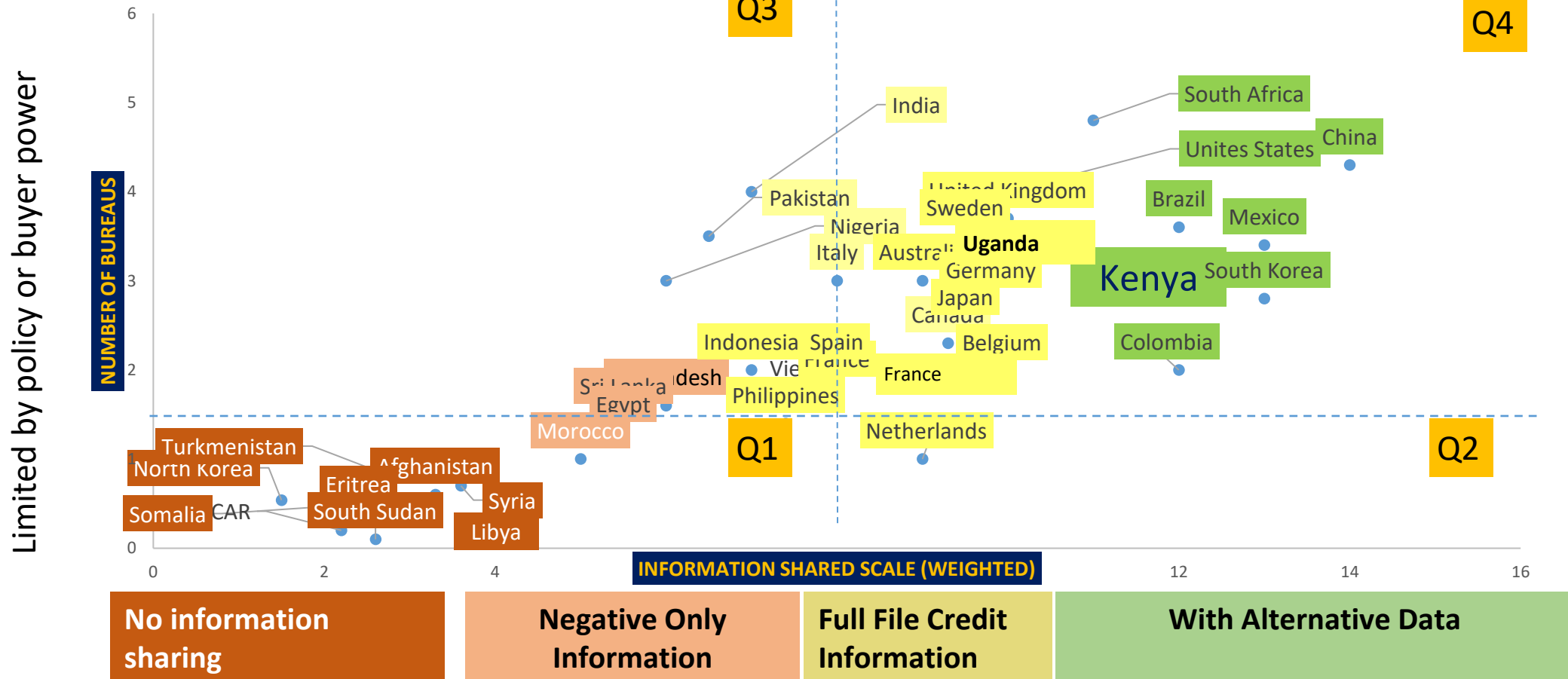
Where are your markets in the grid?

- From Negative data to full file credit reporting
- Public Credit registries vs Credit Bureaus
- Where are the Property registries



Data governance/enterprise status in quadrants

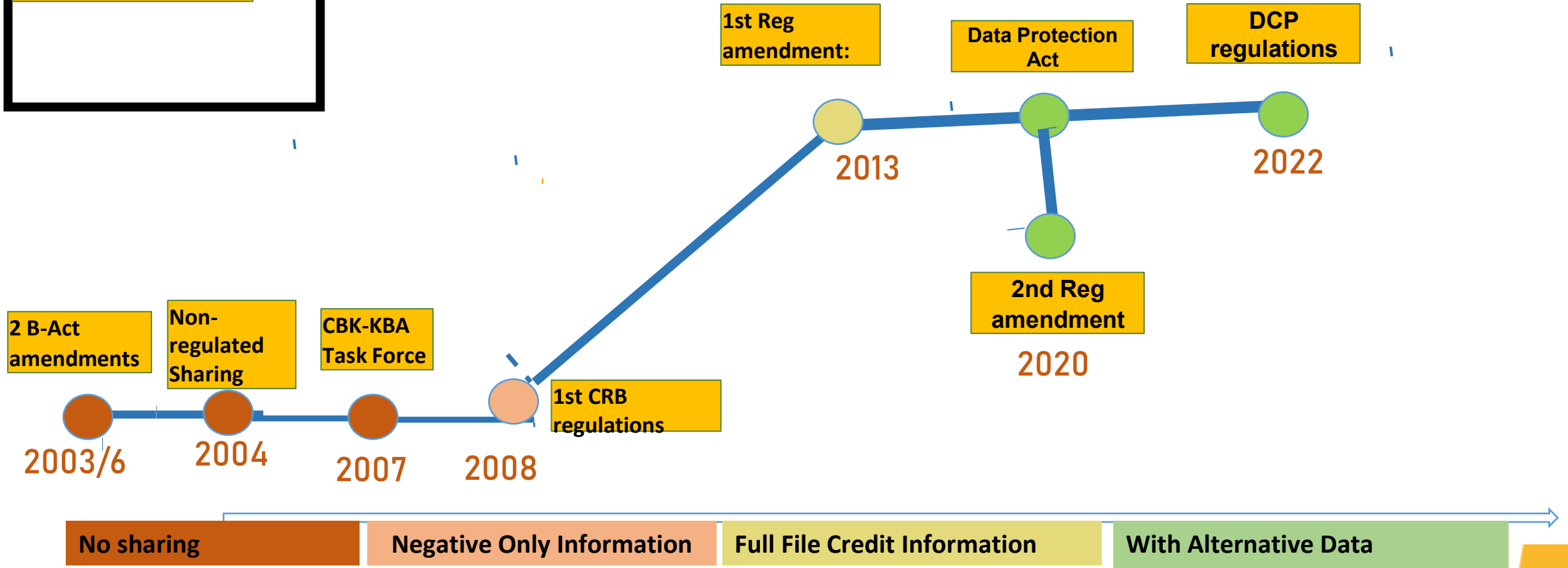
NUMBER OF CRBS AND TYPE OF INFORMATION SHARED CHART



Govt Policy Maturity Road Map in Kenya

KEY:

Govt policy



Historical evolution:

- It was easier to persuade banks to share negative data
- The property registries are still strangers to the conversation
 - Chartels mortgages, land registries, motor vehicles etc
 - Livestock:
- Unique IDs, citizen services / registrar of persons
- Alternative data – or more complete data



Existential risks

Misinterpretation by governments:

- What do policy makers [politicians] think we are?
 - A blacklist keeping citizens away from credit, or the way to pricing risk, and improve access to finance?
- Kenya: Hustler fund – remove all defaulting micro loans
- Consumers not in the conversation, so can you blame politicians?



About Metropol Corp



- Established in 1996
- Group Human capital: 250
- Licensed by Capital Markets Authority of Kenya (CMA), Central Bank of Kenya (CBK), Bank of Uganda and Rwanda Capital Markets authority
- Operates credit bureaus in Kenya and Uganda
- Provides credit ratings in Kenya and Rwanda
- Has in-depth industry industry reports on over 100 industries in Kenya
- Has an economic forecasting service

