


HES

# Mobifinance brings its microloan NPL rate down to 4.4%

Mobifinance (Mobicom) success story

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Mobifinance NBFI LLC operates MonPay, the payments app of Mongolian telecom operator Mobicom, and issues instant microloans through it. Borrowers apply and receive the funds within the app. Mobifinance's parent company, Mobicom, holds more than a third of Mongolia's mobile market. It launched as the country's first mobile operator in 1996 and has been part of Japan's KDDI group since 2016.

| Founded in | Markets | Team size | Type | Website |
| --- | --- | --- | --- | --- |
| 1996 (Mobicom) | Mongolia | Under NDA | Microlending | monpay.mn |

| 4.4% | 0.6 | 2-10 min |
| --- | --- | --- |
| NPL rate after 17 months, down from 18.9% | Gini index of live scoring models | time to build and validate a scoring model |

Challenge

## An in-house scorecard that lagged loan book growth

MonPay's loan book grew faster than its in-house scoring model could handle. NPLs stayed above target, while maintaining the model took up much of the risk team's time.

By 2020, Mobicom already held lawfully collected behavioral data on its subscribers, such as payment history and service usage. Mobifinance needed an engine that could score applicants on this data despite missing values and show how each data source contributed to the score. Analysts also wanted to build several competing models and use them to compare market strategies. The plan to automate approvals and reach more customers depended on that engine.

> “GiniMachine is a must-have for any non-financial businesses that are making their first steps in financial services. It works with behavior-based data and helps to work with AI/ML in a friendly interface and take data-centric decisions in seconds.”



**Oyunchimeg Shagjjamba**
CEO at Mobifinance NBFI LLC

Approach

## Validated models from raw subscriber data

Mobicom's team set two priorities for the rollout: fast onboarding and an interface that risk officers could use without special training. The GiniMachine team prepared a staged implementation plan around them.

GiniMachine handles preprocessing itself. Heuristic rules prepare the data, then an in-house decision-tree ensemble trains on tables that still contain missing values. Mobifinance analysts skip manual cleaning and move straight to modeling and analysis. With the dataset in place, building and validating a model takes 2 to 10 minutes, with larger datasets closer to 10.

Mobifinance chose to run the system on its own servers. During testing, the GiniMachine team found that server capacity and load balancing needed adjustment and helped fix both before go-live.

Result

## Fewer bad loans and a higher approval rate

The NPL rate was 18.9% when live scoring began and 4.4% after 17 months. Models built after go-live have shown a Gini index above 0.6.

Loans in MonPay are approved in a few clicks. Approvals went up as NPLs came down. The risk-to-expected-profit ratio stayed at the level the team considers optimal. Risk staff also use GiniMachine for exploratory analysis of loan data, and Mobifinance has started two more projects on it: churn prediction and collection scoring.

## Thank you for your attention!

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