

Reaching SME with AI, ML, Business Automation

Context

FCMB is a top five Nigerian bank providing corporate to consumer services. From 2000 to 2015, Nigeria quickly grew to be the world's 27th largest economy, surpassing Hong Kong, Ireland, and many European nations. Economic growth brought rapid expansion to the middle class and produced millions of small business owners.

Like its competitors, FCMB uses a simplified corporate relationship model to interact with SMEs, and this results in serving a fraction of small businesses. FCMB has experimented with mixed success to find ways to better serve the SME community.

Challenge

FCMB's corporate banking model is labor intense, has high cost to acquire and retain, and depends heavily on local expertise and highly educated back-office personnel.

- Manual processes are slow, taking days to weeks to establish new business
- Underwriting, product offers, and pricing take considerable industry expertise
- Sales personnel focus only on business types and geographies they understand
- Suburban and rural markets underserved due to inefficient, high-touch methods
- Minority groups often underserved due to bias, language, other factors
- Solutions must be discreet to avoid alarming the public
- Bank lacks tech, data infrastructure, and intelligent systems for transformation

Solution

Verde used proprietary AI/ML driven technology to generate Basel III and IFRS-9 compliant underwriting solutions.

Verde aggregated data from FCMB's internal systems, merged it with numerous external data sources, then deployed AI routines that continually monitor and reassign workflows when inconsistencies are flagged. The same processes evaluate consistency across multi-dimension, distance weighted peers to indicate reliability issues. With all data standards satisfied, decisions are returned in seconds and sent to FCMB's core banking system for automated account opening and fund disbursement.

Results

- PD improved **50%**, saving the bank **\$34 million** per year
- Origination OpEx dropped **90%**
- AI enabled profit-based pricing
- Addressable market grew **12X** through lower risk, lower OpEx, profit-based pricing
- 100% web-based origination, thanks to higher performance and automation
- Compliance assured by automated regulatory reporting and inclusion testing
- FCMB lends profitably at interest rates previously unattainable