

New Algorithm for the Thin File Segment

Exploring the Opportunities for AI and Financial Inclusion in Africa

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What we mean
by AI

The ROI for AI

AI Use Cases
for FSPs in
Africa

FIBR AI Gallery

Why AI Now

Challenges &
Barriers

AI Readiness
Framework



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Our Goals for This Session:

- Define in *practical* terms **what we mean by "AI"**
- Share key considerations in **responsibly adopting & implementing AI**-powered solutions
- Lay out a **concrete case for AI** in inclusive financial services and a **readiness framework** to self-assess
- Explore a **sampling of AI-driven work** happening *now*
- Lay the groundwork for **continued discussion!**



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How do we define Artificial Intelligence (AI)?



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Artificial Intelligence is:

“The capability of
a machine to
imitate intelligent
human behavior.”

–Merriam-Webster

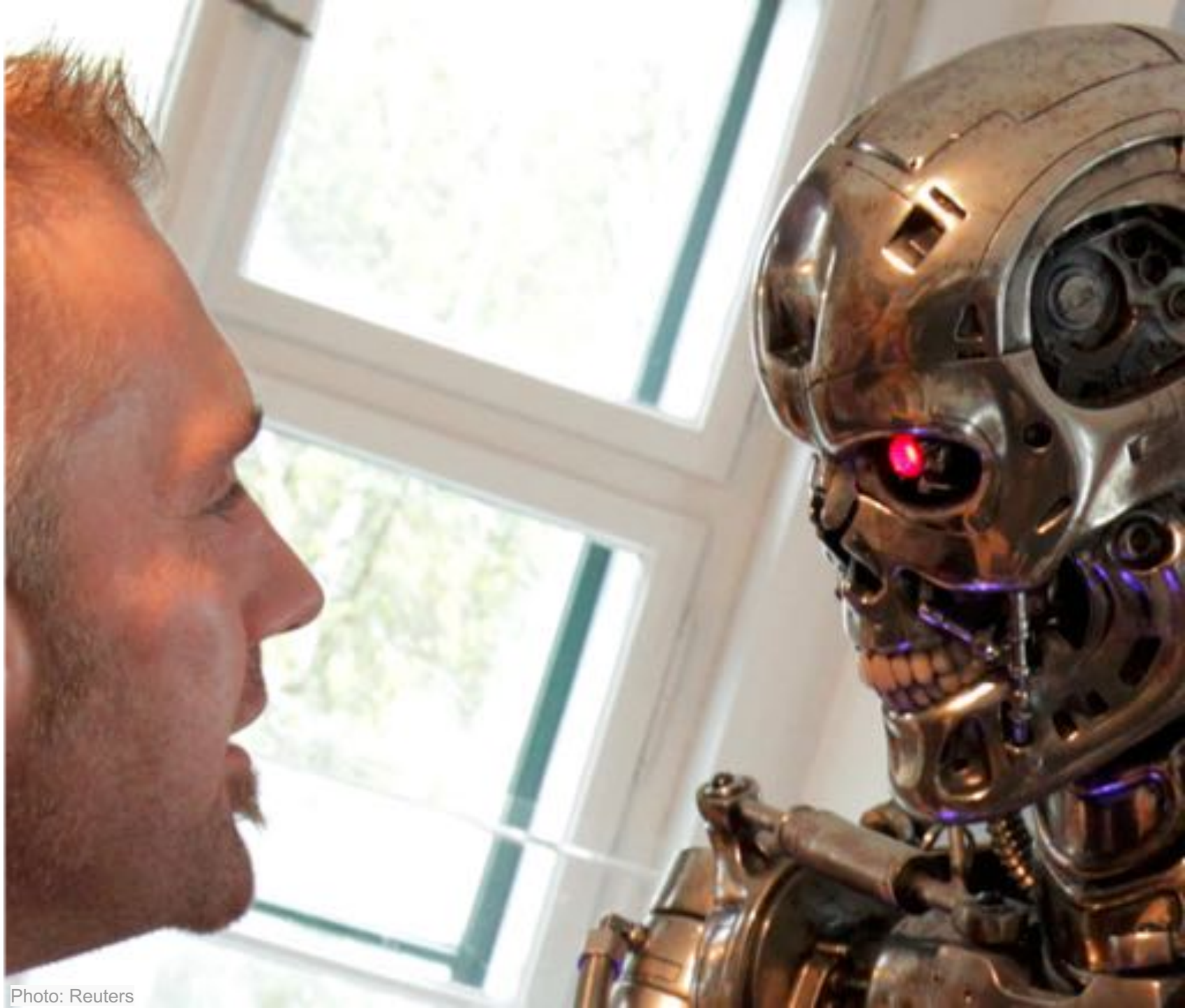


Photo: Reuters



Data

AI

Executives

A photograph of a mining tunnel. In the center, a large, complex piece of mining machinery is visible. Two workers in orange safety suits and white hard hats are in the foreground, looking towards the machinery. The tunnel walls are rough and rocky, with some equipment and cables visible in the background.

Data

AI

HYPE?!

Executives

Artificial Intelligence Redefined!



AI is the capability of a machine to **augment** intelligent human behavior.

Is *AI just* a tool for
automatically
mining insights?



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...or can it be an
effective means to
something more?



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A man with a prosthetic arm is shown in a workshop setting. He is wearing a red and white striped shirt and has a tattoo on his left arm. He is holding a tattoo machine in his right hand. The background is a purple wall with a framed picture and a computer monitor.

HUMAN

Expertise
Craftsmanship
Creativity
Empathy
Ingenuity
Judgment

AI

AI is a tool that, when used
with care, can provide
actors with
practical *superpowers*.



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“With Care” means:

- Asking the right **questions**
- Taking the right **actions**

Asking the Right Questions

To begin exploring AI and data without a question in mind is akin to acquiring a room full of tools and materials without knowing what you're going to build.

Instead, start with:

1. In what environment will this AI act, and for whom?
2. What specific problem will AI address?



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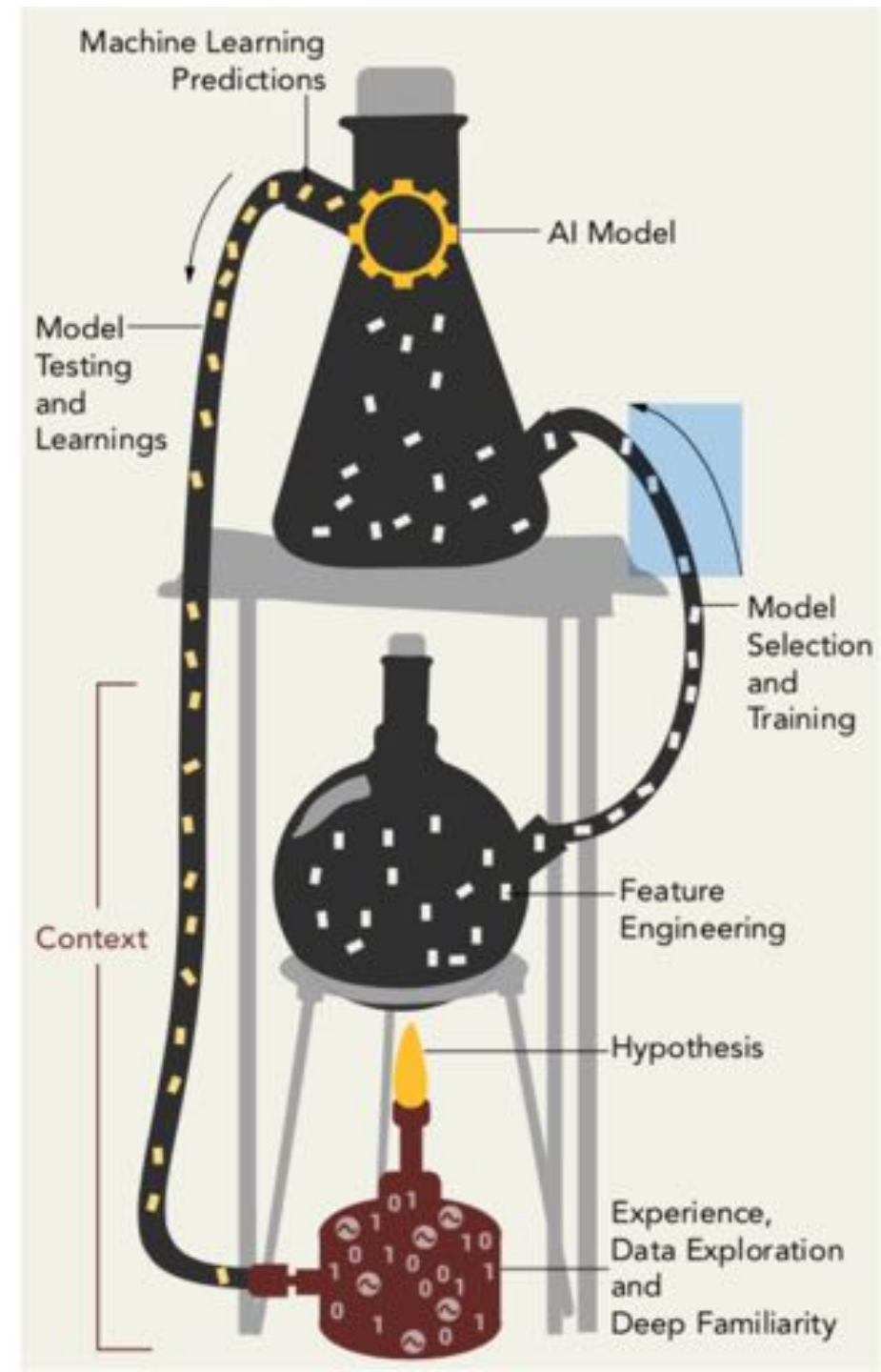


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Taking the Right Actions

Mitigating sources of **bias** requires proactive measures:

- **Diversity** in the data in modeling team aids in addressing bias
- Data generated by the product should be sampled **without organizational heuristics** pre-emptively filtering it
- Actively **monitoring** the effects through a **feedback mechanism** is critical in assessing the model's intended versus actual effects





Opportunities

Why AI Now

1. **Cost:** Using These Tools Has Become Considerably Cheaper
2. **Performance:** AI Will Allow Institutions to Improve Over Traditional Systems
3. **Data:** Financial Services Providers Have the Necessary Data and Relationships in Place
4. **Competition:** Institutions Must Face Off with Neobanks and Superplatforms
5. **Consumers:** Are Increasingly Ready for Tailored, Real-Time Servicing and Feedback



The ROI for AI

Cost Savings

Lowering the cost of prediction / forecasting and savings from better decision-making

Increased Revenue

Expanding serviceable customer segments

Differentiation

Automation, personalization, seamless experience

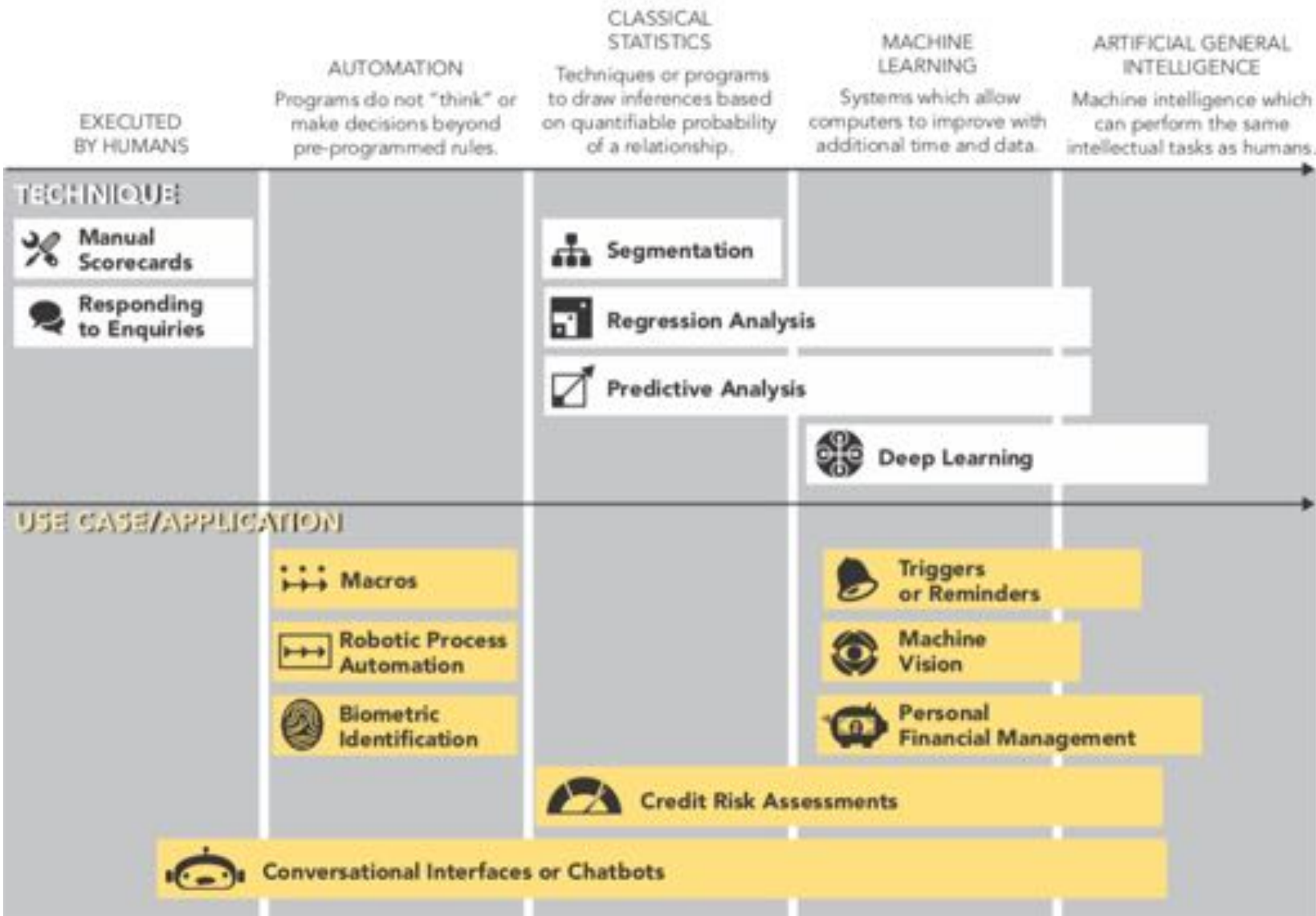


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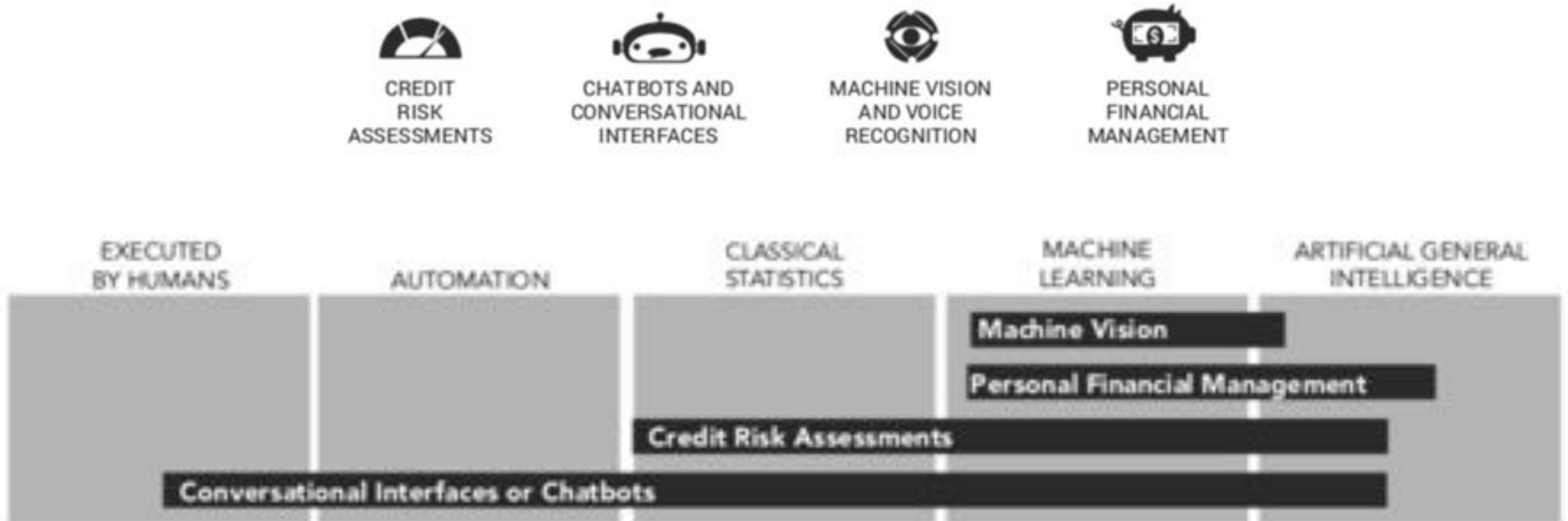


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Spectrum of AI / ML in Africa



Use Cases for Financial Services in Africa



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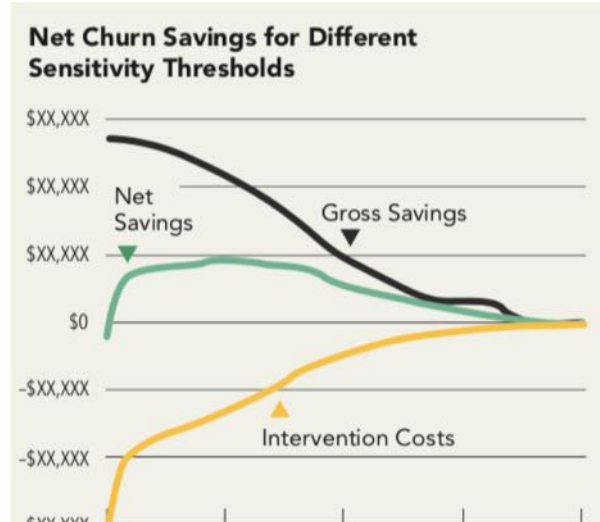
Pilots + Experiments



FIBR AI Gallery for MSMEs and PAYGo

1. Provide interactive experiences toward a practical understanding of AI and encourage conversation
2. Demonstrate value of new technologies available today and highlight how they can help improve **livelihoods**
3. Highlight the practical applicability of these products in FIBR work in:
 - i. PAYGo ([Churn](#), [Lead Heatmap](#))
 - ii. Small Merchants

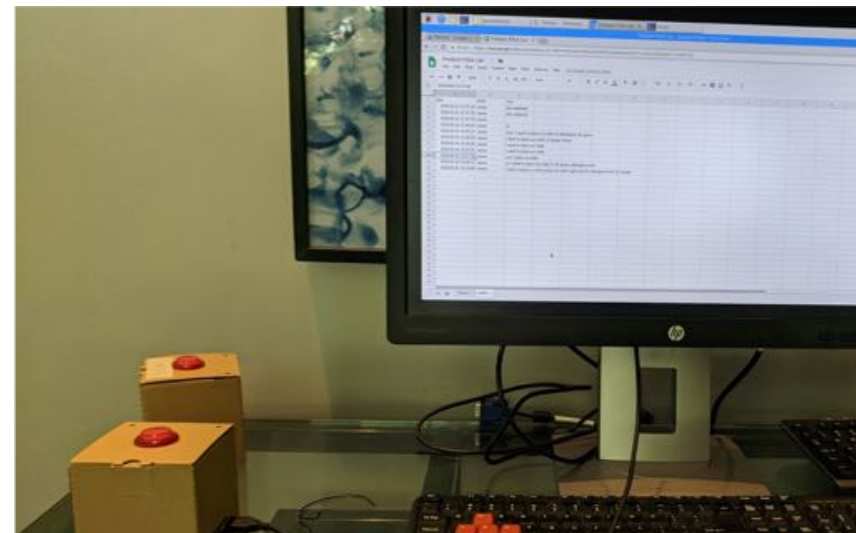




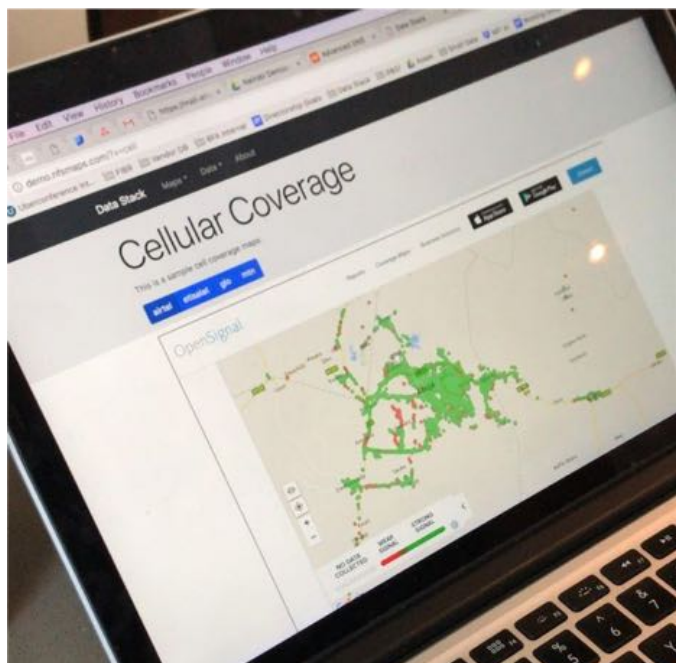
Churn/ROI Prediction



Demand Forecasting



Product Pricing



PAYGo Lead Finder



Inventory Counting

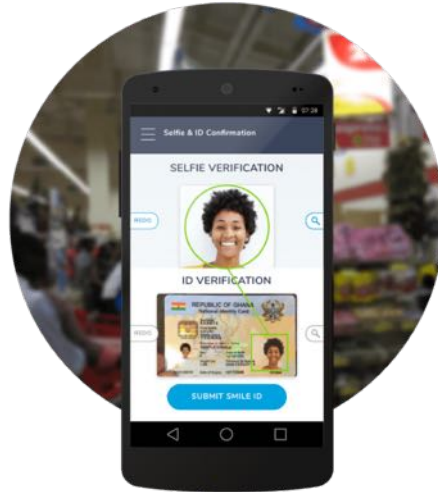


Text to Speech

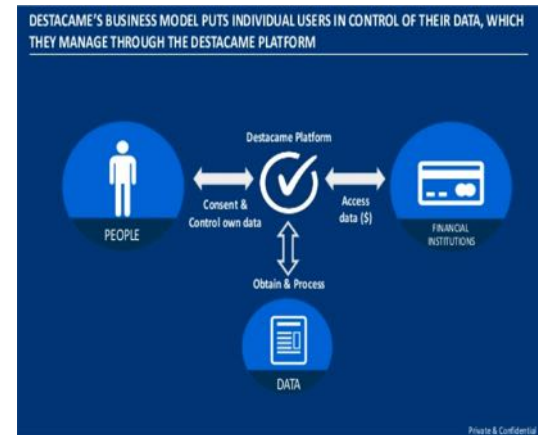
Catalyst Fund Examples



Remote Sensing
for input credits



Facial Recognition
For Streamlined KYC



Alternative Data
For Consumer Credit



Remote Sensing
for crop insurance

Challenges

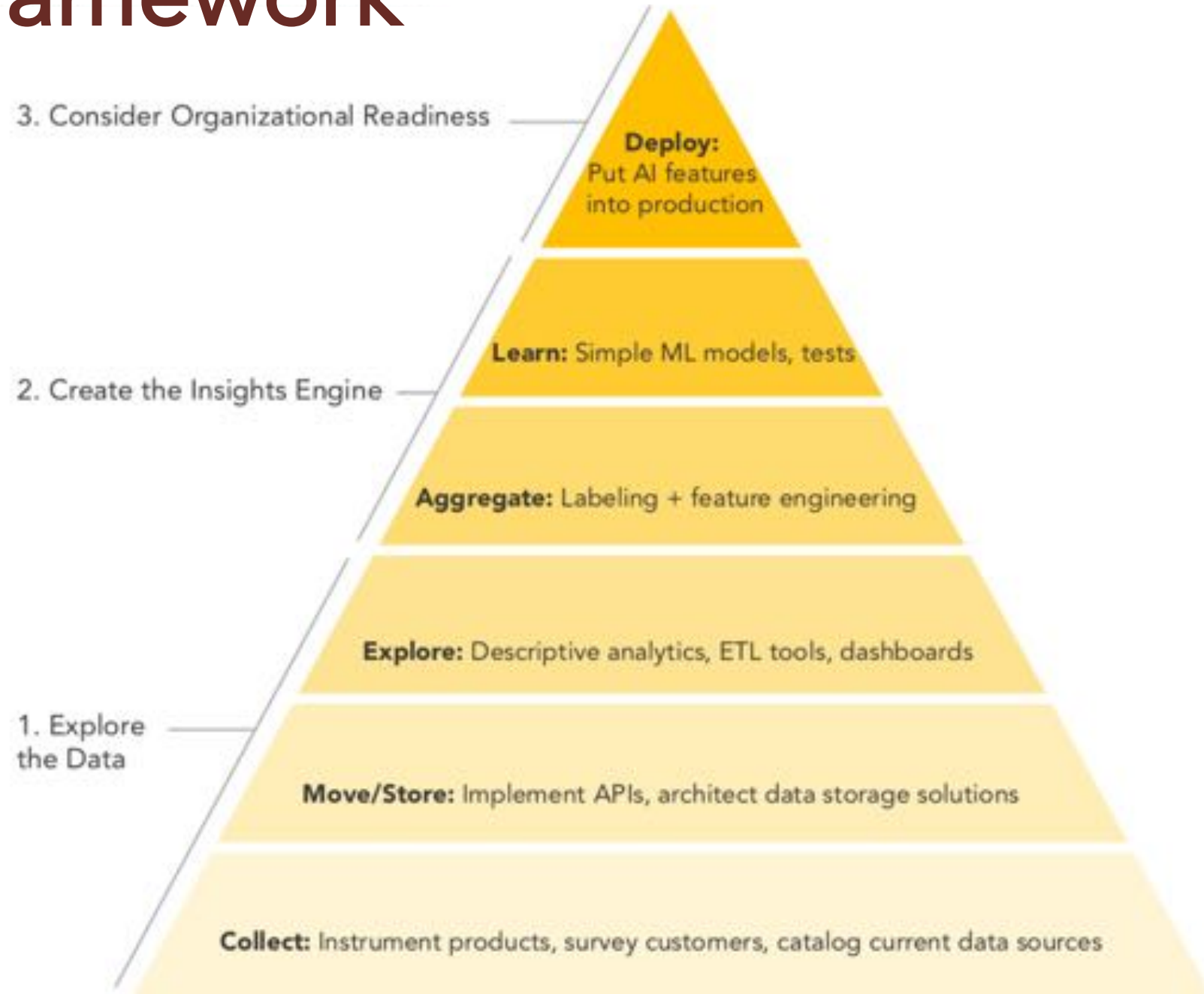
A large, faint, light-purple graphic in the background. It consists of a speech bubble shape with a tail pointing towards the bottom left. Inside the speech bubble, there are four vertical, rounded rectangular bars of varying heights, resembling a bar chart or a stylized 'H'.

Challenges & Barriers

1. The right question to ask
2. The right format, localization and quality of data
3. The right kind of talent and organizational capacity
4. The right infrastructure and regulatory environment
5. The right level of customer trust



AI Readiness Framework



Thank you! (Now let's get to work!)

BFA: <https://www.bfaglobal.com/>
FIBR: <https://www.fibrproject.org/>
AI Readiness: <https://www.techstartups101.com/>

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