Business Report: Trusting Social

1. **Preface**

This essay explores Trusting Social, a one of successful Vietnamse FinTech companies with a mission to enhance financial inclusion through innovative credit scoring. Trusting Social exploit big data and machine learning technology to assess creditworthiness, particularly in emerging Asian markets where traditional banking cover a modest part of the market. The essay will analyze the company's journey of Trusting Social from beginning to a Vietnamese tech unicorn, how Trusting Social impacts on making financial services accessible to million people and digitalize the finance landscape. The essay also cover their contributions to financial inclusion and future strategic directions.

2. **General Background**

    2.1 Introduction to Trusting Social

Trusting Social, established in 2013 with the vision to become a pioneering FinTech firm in AI and machine learning, using these technology to fulfill the financial inclusion gap by offering novel credit scoring solutions. The company began the business in Vietnam then expand to Asian markets (Le, 2020). Trusting Social's journey started with the vision of using Artificial Intelligence to enable access to financial services for unbanked population. Their first success was the development of a predictive model that transform telecom data to credit score trusted by banks and financial institutions. According to Trusting Social founders, the new technology expanded financial opportunities for millions of people in countries like Vietnam, Indonesia, and the Philippines to access to credit service. During more than 10 years developing, Trusting Social has

established significant partnerships with leading banks and financial institutions, impacted significantly on the FinTech industry.

2.2 Market Presence and Growth

Trusting Social has contributed in several emerging markets such as Vietnam, Indonesia, India, and the Philippines. In these countries, a significant part of the population is unbanked, creating a opportunity for credit scoring system without using user credit history. The company has successfully become a market leader in Vietnam where approximately 70% of the population without using banking services (Le, 2020). Trusting Social quickly expand to Indonesia and the Philippines where there are millions of people who were previously untouched by the credit system due to a lack of recorded credit history. In India, the company has rapidly expanded, aiming to onboard millions of new customers, reflecting its potential and the effectiveness of its technology (Trusting Social, 2022).

2.3 Area of Discruption

Trusting Social has revolutionized credit scoring through its AI-powered system, using alternative data sources, primarily telecom data, to evaluate creditworthiness. Trusting Social's system analyzes over 50,000 features from telecom data to infer consumer behavior and economic activity, which traditional credit scoring methods are often unable to reflect. This method includes analyzing call patterns and mobile data usage, offering a comprehensive view of a customer's financial behavior. Trusting Social's credit score is so widely used indicates how successful it is. In Vietnam, by providing lenders with a reliable credit score, Trusting Social has significantly lower the barriers to financial services, fostering financial inclusion (Nguyen, 2019). This approach not only benefits consumers but also financial institutions. It allows banks and lenders to expand their market by tapping into a previously unreachable customer base, thus. Moreover,

the accuracy of Trusting Social's credit scoring is a valuable tool for risk assessment for the financial companies to reduce default risk (Trusting Social, 2023). This innovative credit scoring system demonstrates how technology can be leveraged to create inclusive financial ecosystems, especially in emerging economies.

2.4 Achievement

Trusting Social becomes a leader in credit scoring business in Vietnam through strategic partnerships and collaborations. A significant partner was with Vietnam's largest mobile network operators, including Viettel, it is the most important partner since telecom data is fuel for credit scoring (Fintech Singapore, 2015). Trusting Social has partnered with over 40 leading financial institutions in Vietnam to provide consumer credit scoring and eKYC services (Trusting Social, 2023). Additionally, in 2023 the company established a strategic investment and partnership with Masan Group who provided them with a $105 million investment, it shows Trusting Social's ambition in integrating AI into retail and consumption the area that they could utilize their AI expertise (VNExpress, 2023). The company also received $65 million in a Series C round from Sherpa, a subsidiary of Masan Group (Trusting Social, 2022). These achievements and partnership formation highlight Trusting Social's expertise in leveraging advanced technology to reshape financial services in emerging markets.

3. Recommendations

3.1 Market Expansion

To expand its market reach, Trusting Social could exploit its partnership with Viettel, a successful Vietnamese telecommunications company with operations in many developing countries like Myanmar, Cambodia, Tanzania, and Haiti (Viettel Global, 2024). These markets share characteristics like Trusting Social's current markets with larg proportion of unbanked population.

By leveraging Viettel's network and understanding of local markets, Trusting Social can bring its AI-powered credit scoring services to these regions, solving the financial needs of millions of additional consumers. These countries have relatively high mobile penetration but low formal banking access, Trusting Social's technology is able to fulfill this gap. Trusting Social can offer reliable credit scoring based on telecom data and enable local financial institutions to extend credit and other financial services to underserved segments.

3.2 Technology and Product Development

For Trusting Social, advancing data and new technology play a vital roles in their core business. Trusting Social need to constantly develop and enhance the existing product to maintain their position in the market which have many severe competitions. Facial recognition and retail analytics are an important technology and areas that Trusting Social could focus. By implementing facial recognition could streamline the process of identity verification, financial institution can enhance the security and efficiency of financial transactions. Retail analytics, driven by AI, can provide deeper insights into consumer behavior, allowing for more tailored financial products and services. These advancements in AI and ML would not only bring Trusting Social's new revenue stream but also provide a more holistic and integrated financial solution to its partners and customers.

3.3 Strategic Partnerships

Tightening strategic partnerships, particularly with banking and non-banking institutions, is a crucial step for Trusting Social's expansion and innovation. Their existing partnership with Masan Group, a major investor and a leading retail platform in Vietnam, presents a unique opportunity. Masan, as the top modern retail platform and a giant in food manufacturing, possesses extensive consumer data, which can be a goldmine for enhancing Trusting Social's AI-driven credit models.

Trusting Social can leverage Masan ecosystem data to refine their credit scoring algorithms, making them more accurate and reliable. This integration can extend to Masan's credit card products, potentially creating a synergy between retail behavior and creditworthiness. This move would not only enhance Trusting Social's core business but also allow them to venture into retail analytics. Trusting Social with AI expertise at the forefront can expand into retail and open new avenues for business growth. This includes developing tailored financial products for Masan's millions customer base and utilizing AI for predictive analytics in retail trends, consumer behavior, and supply chain management. This partnership has the potential to establish new business model in the retail and financial industry by utilizing data-driven insights to optimize business operations and improve customer engagement.

3.4 Addressing Regulatory & Financial Fraud Challenges

Beside driving business to new expanding opportunity, Trusting Social also need to focus on solving existing problems of data protection regulation and financial fraud. Doing business in heavily regulated sector as banking and data analytics, Trusting Social should maintain their attention on the changing regulation landscape in the market they are in. Data protection and user privacy should be on top of their concern. For instance, in Vietnam, the government recently enacted Decree No. 13/2023/NĐ-CP on personal data protection which is similar to GDPR, effective from July 1, 2023, which imposes strict guidelines on handling personal data (Ministry of Public Security, 2023). Trusting Social should anticipate the impact of this new decree on their business in Vietnam and also understand similar regulations in every market they operate in or plan to enter. Building trust with local governments and institutions is also vital for their long-term business. As a leader and an expert in this area, they should actively engage with regulatory bodies

and participate in discussions around building new data protection policies. Building a reputation as a responsible and trustworthy entity is also important in the fintech sector to not only ensure compliance but also enhance the company's credibility among customers and partners. Beside legal and reputation, loan fraud is also a problem that Trusting Social also faces constantly. This issue is complex involving deceptive practices to obtain loans through false information or stolen identities. These fraudsters may use sophisticated methods or technologies, such as creating fake identities, to appear credible and subsequently default on large loans (SEON, 2022). Since Trusting Social services is a part of underwriting process to reduce default risk, a fraud detection technologies and fraud behaviors monitoring will be crucial to maintain their service quality. Investing in advanced fraud prevention strategies and maintaining robust risk management are essential not only to protect its clients but also make their product become a critical choice for risk assessment.

4. Summary

This report has analyzed Trusting Social's transformative role in financial inclusion, highlighting its innovative AI-driven credit scoring system and significant presence in emerging Asian markets. Trusting Social's strategic partnerships, especially with Viettel and Masan Group, have been instrumental in expanding its reach and enhancing its technological capabilities. Challenges such as regulatory compliance have been addressed, emphasizing the importance of data protection. The proposed strategies for expanding market reach, advancing technology and product development, forming more strategic partnerships, and navigating regulatory challenges underscore the potential for long-term growth and impact. Implementing these recommendations can strengthen Trusting Social's position as a leader in financial inclusion, driving positive change

in the fintech landscape and contributing significantly to the economic empowerment of underserved communities.

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