



Commercial lending and leasing in particular have been in the doldrums for all of the current recession. An unquestioning faith in historic methods and ways of doing business and years of innovation avoidance has led to paralysis in the face of new market conditions. The solution, in glorious irony, lies in the a sector which has been forced to innovate and which is having great success in combining new ways of working with technology and risk assessment – Microfinance

- 2.8BN people could use financial service, but are ignored by traditional financial services
- Microfinance institutions were already achieving and sustaining high SME portfolio quality in less developed economies *before* the current recession
- MFIs have evolved underwriting methods to better match individual profiles with advances, and collection procedures that are appropriately matched to their customers
- Technology is used more creatively in MFIs than in developed markets using mobile phone technology and biometrics
- New companies and established non financial service businesses are taking all the best working practices from the sector in the developed economies and combining and re-combining them in lower cost, higher margin, more commercially successful ways and embedding themselves with the consumers, self employed and small business of vast emerging economies such as Brazil, India and Mexico

These ideas can now flow back and help revive the economies of the global giants. For more information contact Clearcape Ltd