



A SMART LENDING SOLUTION TO SUPPORT ASEAN SME GROWTH

OneConnect Financial Technology keeps abreast of regional SME needs and addresses these through solutions like Finovo.



Anticipating Regional Challenges to SME Financing

Small and Medium-sized Enterprises (SMEs) constitute the bedrock of ASEAN economies. They make up 98-99% of firms in most ASEAN nations and at least 50% of employment throughout the region (often between two-thirds and three-quarters, and up to 97% in some markets). However, SME access to financing has long been a problem in many economies, both in established and developing countries.

ASEAN is currently plagued with this problem. Due to a lack of credit information, stricter financial rules after the financial crisis, and the most recent consequences of the US-China trade tensions, ASEAN nations generally confront a considerable trade financing gap. Hence, there is an urgent need to create well-diversified and alternate financing systems. A well-diversified small business financing environment has the potential to address some of the challenges that SMEs encounter in securing enough finance. Moreover, this environment supplements bank financing and increases financial inclusion in the ASEAN Member States (AMS).

Providing an End-to-End Digital Lending System

As a leading provider in Singapore and ASEAN, we pay attention to emerging challenges faced by SMEs and lenders, to develop practical ways of solving the potential financing problem in the region. An example of these efforts results in the form of Finovo — a product that solves financing problems for AMS. Designed as a one-stop retail and SME financing solution, Finovo offers a convenient and accessible smart lending solution for secure and unsecured loans.

It doubles as a smart lending platform and end-to-end digital lending system focusing on aiding SMEs and retail lenders in growing their online lending businesses and lowering operational expenses while upholding risk management criteria. Additionally, Finovo works on providing channel management, loan applications, anti-fraud and credit risk modeling, and pre-disbursement checks. Compared to the traditional method businesses are used to, automated application processing would reduce manual labor by up to 90%.



Ease of Applicability, with Scalability As An Option

Finovo has features such as high scalability, quick-to-market, and simple setup. It functions well with leading cloud providers. In addition, it has a history of success partnering with banks to create end-to-end credit lending solutions, including product creation, risk modeling, and channel development.

This product has been tested and proven, achieving US\$20B loan book volume in Asia. It can be customised easily to suit the needs of the bank's products and operations. Also, Finovo can be incorporated with local credit bureaus for credit risk profiles, credit scores, and credit reports.



Features of Finovo

Finovo has unique features that allow it to serve ASEAN retail and SME businesses efficiently. Some of these features include:

■ Digital Loan Application

Finovo is a highly digitalised loan platform. Users can access the service through its official website and mobile applications. Furthermore, it incorporates AI, allowing users to use technologies such as facial recognition, voiceprint registration, etc.

■ Digital Loan Processing & Management

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■ Anti-Fraud Engine

Finovo also features gamma device fingerprint technology, anti-fraud rules, and an anti-fraud scoring model to automatically detect and block fraudulent loan applications.

■ Credit Risk Model

Finovo has AI and machine learning technologies that evaluate SME loan product credit and fraud risks.

■ Post Loan Monitoring

It has a post-loan monitoring feature that focuses on activities such as developing a multi-dimensional warning module and creating post-loan reports and investigating task management

The future of ASEAN business may very well stand to see continuing developments in the way SMEs source alternative streams of financing to fuel new ideas beyond the 21st century. Despite the shifting headwinds from still-developing geopolitical influences, smart lending solutions prove that there is hardly a shortage of innovation when it comes to paving the way forward for economic progress in the ASEAN region. Learn more about Finovo [here](#).

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