

**CASE STUDY**

**How Nigerian Fintech  
Blackcopper Identified a  
Way to Reduce Non  
Performing Loans by 21%**

**Pngme** +  **Blackcopper**

# Blackcopper's challenges

Blackcopper is a Lagos-based fintech providing loans to small businesses and individuals. Prior to integrating with Pngme, Blackcopper's loan decisioning process relied heavily on financial data from credit bureaus as well as fintechs Okra and Mono. Ultimately, these services proved insufficient due to the lack of real-time data access and breadth of sources.

Blackcopper approached Pngme in 2021 to help them with the following problems:

01

## Speed up loan decisioning

Lack of real-time data and automated processes

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02

## Increase lending volume

Identify customers who were eligible for larger loan amounts

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03

## Reduce non-performing loans

xx% of customers were defaulting

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04

## Increase share of wallet

Identify thin file customers eligible for loans



## Blackcopper's Goal

Automate loan assessment processes and more accurately assess the creditworthiness of new and existing customers.

# Applying an integration & learning plan

In order to achieve the above goals Pngme administered a 3-phase learning plan ensuring the Blackcopper team was aligned on goals and clear about the process:

## PHASE 1: DATA COVERAGE ANALYSIS

Where in Blackcopper’s decision flow could Pngme data add visibility?

## PHASE 2: LOAN OUTCOME ANALYSIS

Which Pngme Features could be added to Blackcopper’s loan decision criteria to improve loan outcomes?

## PHASE 3: ITERATIVE AI INTEGRATION

What is the measurable impact of each Pngme Feature on the loan outcomes?

# Phase 1: Data Coverage Analysis

## What can Pngme data uncover?

Pngme worked with Blackcopper to assess their decision flow and determine where Pngme data could add more coverage or visibility than existing data sources. Based on the loan decisions for one month’s cohort of borrowers we asked -who would have been declined if Pngme data was used?

What we found:

COVERAGE ANALYSIS OF 520 BORROWERS			
INCUMBENT PROVIDER	CRB CHECK	OPEN BANKING SOLUTION	CRB + FINTECH
PNGME ANALYSIS OUTCOMES	<b>2%</b> of users with evidence of default unidentified by CRB	<b>25%</b> of users with significant additional savings over 20K naira unidentified by Fintechs	<b>26%</b> of users with evidence of 1 or more open loans unidentified by CRB and Fintech data

## Negative cash flow missed by Fintech partners

Pngme checked the cash flow of Blackcopper's borrowers across the month and assessed findings against another leading Open Banking solution's findings.

Pngme's coverage found up to 128 more users with significant (over 20K naira) negative cash flow, which is 25% more than the other leading Open Banking solution found.

## Loan stacking missed by Credit Bureaus and Fintechs

Pngme's data for \*loan stacking behavior among Blackcopper's loan applicants yielded stronger results than the Credit Bureau and the Open Banking solution's data.

\*In this instance, loan stacking is defined as two or more open loans at the time of application.

We uncovered an additional 14% of applicants with evidence of 2 or more open loans that were undetected by the Credit Bureau and leading Open Banking solution combined.

This is because:

The applicant used a different account than the one linked to the Open Banking solutions

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The digital lender does not report to the Credit Bureau

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The relevant data is under 30 days old and so has not been reported to/captured by the Credit Bureau

# Phase 2: Loan Outcome Analysis

## What Pngme Features are predictors of good or bad loan repayment?

Once the coverage analysis is completed we then apply analytics features to the data. Pngme's Feature Library makes it very easy for internal developers to apply these analytics with out of the box code snippets.

In consultation with the Blackcopper and team and through analysis of their loans decisioning workflow we identified 3 features to test:

### Evidence of default

Pngme Feature `count_of_defaulted_events` gives visibility into defaults not yet available through the Credit Bureau

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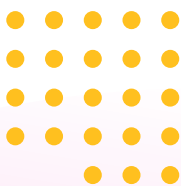
### Negative cash flow

Pngme Feature `net_cash_flow` gives you insight into all your applicants' bank accounts and their earnings and expenditures

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### Loan stacking

Pngme Feature `count_of_open_loans` tells you how many open loans an applicant has, including loans with digital lenders



## COVERAGE ANALYSIS OF 520 BORROWERS

INCUMBENT PROVIDER	CRB CHECK	FINTECH CHECK	CRB + FINTECH
PNGME ANALYSIS	<p><b>2%</b></p> <p>We're approved without evidence of default</p>	<p><b>2%</b></p> <p>Identified with negative cashflow</p>	<p><b>25%</b></p> <p>Approved with 1 or more open loans</p>
PNGME OUTCOMES	<p>55% repayment rate failure of those identified by Pngme</p>	<p>50% repayment failure of individuals identified by Pngme</p>	<p>45% did not repay in time</p>

## Phase 3: Iterative API Integration

Now that Pngme has identified 3 features that are driving business outcomes for Blackcopper, we are applying an iterative testing plan across our full Feature library.

### STEP 1

We assessed the measurable impact of each Pngme Feature on the loan outcomes.

### STEP 2

We zeroed in on Blackcopper's driving questions, such as:

- After a Pngme Feature is integrated into the decision criteria, what is the impact?

### STEP 3

We confirmed the next feature Blackcopper should test:

- Integrate count of defaulted events
- Loan outcomes for cohort of borrowers decisioned using specific feature

### **We provide(d) for Blackcopper:**

- A guided API integration process
- Continuous modeling of Pngme Features against their data so we can predict which features will give their loan outcomes the most positive impact

### **By sharing their loan decisions, current decisioning pathway, and their outcome data, Pngme was able to:**

- Swiftly identify areas for significantly increased coverage
- Determine which Pngme Features could more easily predict bad borrowers
- Measure their reduction in non-performing loans

**“Pngme’s data insights have simply been transformative for our business. Their iterative approach helps our team understand the benefits and impact their data services on our business.”**

**BLACKCOPPER’S CEO**

## **The future is looking good**

Blackcopper is exploring their new datasets and testing different variables in their decision flow while building loan products to help them reach the people and businesses that matter to them most.

Pngme and Blackcopper will continue to iterate, refine, explore, scale and build, keeping Blackcopper’s customers’ needs at the center. Blackcopper is fast becoming the digital bank its community cannot live without and Pngme is honored to be a part of their solution.

**“As a digital lender, data and insights are fundamental to reaching our customers. Working with Pngme has enabled us to access actionable data and insights to improve our loan outcomes and ultimately reach more customers. We look forward to our future with Pngme”**

**BLACKCOPPER’S CEO**

# Interested in learning more about integrating with Pngme?

[Request a consultation](#)

[Test integration for free](#)

Learn more about how our [Data Science Team](#) can work with you.

Take a look at our [Feature Library](#) and try out our [Features API](#).