

# JUVO RECEIVES THE 2023 TECHNOLOGY INNOVATION LEADERSHIP AWARD

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*Identified as best in class in the Latin American  
inclusive digital credit industry*



## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Juvo excels in many of the criteria in the inclusive digital credit space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Business Impact</i>
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

### ***Bolstering Access to Credit and Financial Inclusion in Latin America through Innovative Identity and Credit Scoring Solutions***

According to the International Monetary Fund’s (IMF’s) International Financial Statistics, the average net interest margins (NIMs) in Latin America and the Caribbean are among the highest in the world. Research indicates that high NIMs are a result of banking sector inefficiencies and high operating costs.<sup>1</sup> The Global

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**Research Analyst**

Findex results show that the global population share with a bank account in a financial institution increased from 51% in 2011 to 76% in 2021.<sup>2</sup> However, approximately 1.7 billion people remain unbanked, with the majority belonging to the least developed and developing economies.

Amid this deep economic divide, Juvo Mobile, a fintech company set up in 2014, deployed its patented identity and credit scoring technology to establish financial identities and boost inclusive credit services in Latin

<sup>1</sup> Latin American Journal of Central Banking; June 2022; [Can Fintech Foster Competition in the Banking System in Latin America and the Caribbean?](#)

<sup>2</sup> World Bank; 2022; [Unveiling the Global Findex database 2021 in five charts](#)

America. Based in the United States, Juvo currently operates in 8 countries: Brazil, Paraguay, Bolivia, Colombia, El Salvador, Guatemala, Honduras, and Hungary.

Juvo applies its proprietary, innovative technology to everyday usage of mobile phones. The company creates alternative credit and identity scoring mechanisms to build credit histories and offer credit access through its Financial Identity as a Service (FiDaaS) platform. As most of the population in emerging markets relies on prepaid mobile services, Juvo partners with mobile operators and leverages usage patterns around prepaid mobile service to fill in the gaps in coverage of traditional credit bureaus for consumers who lack reliable and long credit histories. Juvo leverages a telecom partnership model to circumvent these challenges while enabling access to a larger population and copious real-time data. It focuses on microlending services through its telecom partners to tap into the immense economic opportunity in accessing behavioral and customer-centric data through talk-time top-up payments. These microloans are offered to prepaid customers whenever they are short on data or talk-time minutes. Smaller increments and timely repayment lead to larger credit rollout based on the real-time evaluation of client's repayment history. This model helps identify financially responsible persons among the low-and-middle-income strata of society who usually remain excluded from the formal credit markets in Latin America.

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### ***Effectively Leveraging the FiDaaS Platform and Predictive and Behavioral Analytics to Establish 250 million Financial Identities in 7 Developing Nations***

In 2021, Latin America had 439 million unique mobile subscribers at a penetration rate of 69%, with the subscriber base forecast to reach 487 million by 2025.<sup>3</sup> The region's emerging markets are enjoying vibrant consumer markets, a burgeoning middle class, a high demographic dividend, and improving living standards. However, these nations continue to lag in financial depth, which is the financial sector's capacity to fund real economic activities through credit. The average financial depth in Latin America stood at 47.4% in 2017, while that of a developed United States market was 198.9%. At 112%, Chile led in financial depth, and Argentina lagged at a mere 16% in 2017.<sup>4</sup>

Leveraging real-time data from everyday mobile transactions to bring billions of underbanked persons into the formal financial systems is the cornerstone of Juvo's value proposition. The FiDaaS platform is at the helm of delivering last-mile credit and financial services to the marginalized populace. Creditworthiness, customer preferences, and financial indicators form the basis for gathering insights into the behavioral aspects of mobile users. Financial indicators underscore the lending potential and credit risk. Creditworthiness provides insights into punctuality and volatility in user activity while ensuring that trust is built through identity verification. Customer preferences are essential for analyzing spending and payment habits to diversify into new target segments.

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<sup>3</sup> GSMA; 2022; [The Mobile Economy Latin America](#)

<sup>4</sup> Inter-American Development Bank; May 2020; [MSME Financing Instruments in Latin America and the Caribbean During COVID-19](#)

FiDaaS allowed Juvo to develop in-house expertise in analyzing consumer patterns and their distinct traits by observing how people interact with their mobile phones. These tracking and predictive mechanisms ensure the company shortlists the most financially responsible customer bases and customizes credit roll-out policies accordingly. In addition, Juvo's highly data-driven model and technology can decipher habits and behavioral patterns without invading individual privacy. These non-invasive practices and its efficient predictive analytics model empower Juvo to deliver universal credit services to the unbanked while effectively eliminating gender, age, and demographic biases.

Juvo's concentrated efforts toward making data-backed lending decisions have been the bedrock of its commercialization success. Its high-speed real-time identity-scoring engine collects 6 billion data points daily and has supported 1 billion transactions to date. Brazil, the country with the biggest Juvo customer base, has 100,000 citizens receiving credit support from Juvo daily.

### ***Juvo Leads in Inclusive Fintech and Credit Services with \$92 million Credit Rollout to 11 million Latin Americans***

User acquisition involves large annual expenses for financial software applications worldwide. Customer acquisition strategies require identifying the target audience, hyper-personalization, and creating innovative value propositions. In addition, data security, local regulatory and compliance laws, and lack of

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mobile and tech expertise are factors that could act as significant headwinds to company growth potential.

Juvo's advanced predictive and behavioral analysis capabilities ensure it does not incur high customer acquisition costs. These capabilities support the tailoring of products and services per client needs and enhance the existing financial model's efficiency and effectiveness with improvements for changing demand dynamics. For example, in Brazil, the firm leverages data from app downloads and mobile penetration to lend out personal loans by using customers' mobile phones as collateral, allowing

customers to avail loans between \$140 (BRL 700) to \$900 (BRL 4,500) in installments ranging up to 12 months. Not requiring advanced deposits nor any proof of income, Juvo's real-time credit analysis allows its clients to access funds within 24 hours of contract signing and registration. In addition, the company has an awards program for its borrowers as a part of its customer-facing strategies. Customers with a punctual repayment track record are eligible for monthly lucky draws of awards worth \$1,000 (BRL 5,000). Loyalty programs, such as lower interest rates for consistent borrowers and customer acquisition through the 'invite a friend' program, are an active part of Juvo's business model.

Juvo's data-centricity has been helpful in the current economic downturn and high-interest-rate environment as the firm continues to scale its credit rollout at cheaper interest rates than its competitors. With firsthand access to customer behavioral patterns, Juvo's technology confirms the repayment capabilities of its users and caps loan repayment failure rates. Despite the challenging environment in

Brazil during the last 2 years, 11 million citizens have received credit worth \$92 million (BRL 450 million), wherein the firm has cut interest rates by half compared to the domestic financial markets.

Juvo has scaled its presence in Brazil by prioritizing vertical integration and building deep partnerships locally. Currently, the firm's technological capabilities and partnership model help offer credit to 100,000 Brazilians every day. A deep understanding of customer needs has made Juvo a formidable competitor for local credit bureaus, with the firm outperforming them by 3 to 4 times on almost all financial metrics.

Juvo's leadership team understands that strategic decisions made with an in-depth understanding of operational markets and the regulatory and economic environment of respective geographies determine medium-and-long-term growth potential. The company takes a multidisciplinary approach by not only scaling its fintech capabilities but also investing heavily in building local consumer behavior expertise.

Patented identity scoring technology, expertise in predictive and consumer behavior analytics for cost-effective customer acquisition strategies, a multi-faceted approach to management, high population coverage through a partnership model, and a data-backed revenue generation focus are a testament to the firm's long-term growth potential and the role Juvo's solutions and products will play in the regional economic development trajectory.

## Conclusion

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Juvo Mobile's consistent digital innovation has been driving access to credit and financial inclusion in key emerging markets in Latin America. Universalization of access to credit through Juvo has helped build 250 million financial identities since its inception in 2014. The firm's current stronghold is in Brazil, with 11 million citizens given access to \$92 million in credit in the last 2 years. Operating in Brazil, Paraguay, Bolivia, Colombia, El Salvador, Guatemala, Honduras, and Hungary, Juvo's technology is fulfilling the needs of the underbanked and unbanked populace by generating steady credit streams in emerging markets, which makes it a valuable contributor in the long-term socio-economic development in these nations. On the other hand, the propriety FiDaaS platform not only collects billions of data points in real-time, but its value addition through data monetization also creates growth for Juvo's telecom and financial institution partners. With its strong overall performance, Juvo Mobile earns Frost & Sullivan's 2023 Latin American Technology Innovation Leadership Award in the inclusive digital credit industry.

## What You Need to Know about the Technology Innovation Leadership Recognition

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Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

### Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Technology Leverage*

**Commitment to Innovation:** Continuous emerging technology adoption and creation enables new product development and enhances product performance

**Commitment to Creativity:** Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

**Stage Gate Efficiency:** Technology adoption enhances the stage gate process for launching new products and solutions

**Commercialization Success:** Company displays a proven track record of taking new technologies to market with a high success rate

**Application Diversity:** Company develops and/or integrates technology that serves multiple applications and multiple environments

#### *Business Impact*

**Financial Performance:** Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

**Customer Acquisition:** Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

**Operational Efficiency:** Company staff performs assigned tasks productively, quickly, and to a high-quality standard

**Growth Potential:** Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

**Human Capital:** Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

