



**AdamMilo**  
Elevating Your Human Factor

# To lend or not to lend is the question





## Veritas Credit – The next jump for the Microcredit market

VAC collaborated with Adam Milo, pioneer in the field of Talent Assessment, Development and Recruitment. They gave a big jump in credit market helping thousands of companies to perform better. The challenge of the microcredit market today is no longer the search for demand but rather the ability to judge the risk of the self-employed individual taking a loan. It is difficult to calculate this risk, due to the lack of reliable information regarding wealth, financial behavior, payment history etc. of the borrower.

Most of the microcredit borrowers have no financial history and in this dataless world traditional statistic methods are irrelevant and inaccurate. Therefore, there is need for a scoring system that takes personality measurements and qualitative knowledge into account. For example: How stable is the borrower's life, what kind of income does he have, is he a reliable person, does he usually obey the law, to what extent does owing someone money bother him, etc.

To answer these questions and to produce reliable and significant data, the Veritas Credit test (a special version for the microfinance sector) was developed, based on Veritas-I. Veritas-I, was developed by Adam Milo in 2000 using a sophisticated BI system aimed at identifying potential risk factors (theft, alcohol abuse, gambling and more) in candidates and employees. Today numerous private companies and very many government agencies have chosen Veritas-I as their tool for evaluating their human capital risk factor. With more than 1 million examinees, Veritas-I has a margin of error of 0.5% in predicting unwanted behavior among candidates, and a correlation above 0.9 with polygraph tests.

In 2013 Veritas Credit was developed in order to identify the risk factors of microcredit borrowers. This is the first credit test ever developed which combines economic and psychological methods. The test was developed by Israeli and international polygraph, psychology, psychometric and economic experts.

In 2015 Veritas Credit was tested by three leading Latin America financial institutions. On this occasion more than 1,000 approved borrowers were evaluated by Veritas Credit and after six months the result was compared to the prediction given by the test. Veritas Credit managed to identify correctly 40% of the 17% unpaid loans, and had previously evaluated them as being high-risk with a low chance of repaying the loans.

## In a dataless world Adam Milo creates reliable data.

### With Veritas Credit we can:



• Decrease Bad Debt



• Classify Credit Applicants



• Expand Financial Inclusion



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# CONTACT

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