

# Brilla, a program of Promigas



“ Brilla improves the quality of life of Colombians living at the base of the pyramid by lending them money for home improvements, to start microbusinesses, pay for schooling, and purchase appliances. ”

## COMPANY INFORMATION

### ★ Headquarters

Colombia

### Countries of operation

Colombia

### Year founded

2007

### Annual revenue

~US\$30.6 million

### Employees

26-100

### Sector

Finance

## COMPANY HISTORY

Brilla began as an unbranded non-banking finance program in 2007. In December 2007, the Brilla brand was created and launched with a marketing campaign. To take advantage of the loyalty and trust natural gas users had towards the local distribution companies in the regions where Brilla operates, Promigas and the distribution companies publicly endorsed the new Brilla brand name.

In 2009, Brilla began helping people buy computers, which today is one of Brilla's bestselling products at 24 percent of total sales last year. In 2010, it began offering microinsurance. In 2011, Brilla formed alliances with strategic service providers, expanding to new markets and offering more educational loans, including loans of \$272,000 dollars to 642 students.

## WHO THEY ARE

Promigas is an energy holding company in Barranquilla, Colombia. In addition to its own operations, it has investments in 18 other companies in the natural gas transmission and distribution, power distribution, and telecommunications sectors in Colombia, Perú, and Panamá. Approximately 87 percent of Promigas residential natural gas customers belong to the country's lowest income strata. When Promigas started in the natural gas business, it realized that most of its target customers lacked steady jobs and that the gas connection cost, at US\$500 or three times the monthly income for these families, would be a barrier to market penetration.

Promigas and its local distribution companies decided to offer customers alternative financing to cover installation costs for up to 72 months so that people living at the base of the pyramid could receive natural gas. This worked well for both customers and Promigas. But as market penetration increased and more and more customers paid off the cost of installing their gas lines, Promigas began looking for other sources of revenue.

A company survey found considerable demand among Promigas customers for financing for home improvement goods such as flooring, house appliances, and computers, and for credit to pay school fees. Many of Promigas' customers lacked basic amenities such as cement floors, beds, refrigerators, and stoves, and since they were living at the base of the pyramid, most of them had no access to formal banking. The only way for them to borrow money was through informal lenders who charged up to 240 percent annual interest.

## HOW THEY REACH THE BOP

Promigas decided to offer a new program, Brilla, which takes advantage of one of Promigas' most valuable assets: detailed information about the payment habits of its 2 million clients. In financing the installation fees for its customers' natural gas lines, Promigas accumulated detailed database records about their customers' billing history and payment habits. With this information, they assigned customers "natural credit scores," identifying people who were low credit risks—customers who had consistently paid their gas bill on time—and began to offer them financing to purchase other items to improve their quality of life.

Once customers pay off their US\$500 installation fee, they qualify for Brilla and are able to request credit for various products. Money lent through Brilla never reaches the customer directly, but appears in the form of a certificate that customers can redeem for a product in a certain store.

## BRILLA'S IMPACT

Of its 2.5 million customers, Promigas has now provided Brilla funding to more than 600,000 borrowers (cumulatively since inception). Promigas considers Brilla one of its most important programs, not only because it helps improve the quality of life of people living at the base of the pyramid, but also because it is profitable, which means it can be sustained over time.

# Brilla, a program of Promigas

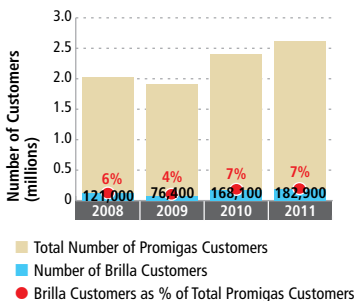
## GEOGRAPHY/EXPANSION

Today Brilla operates throughout Colombia, including Atlántico, Magdalena, Cesar, Guajira, Sucre, Córdoba, Bolivar, Valle del Cauca, Quindio, Caldas, and Risaralda.



## KEY DEVELOPMENT RESULTS

Promigas defines BOP families as living on less than US\$268 per month.



“ Brilla has inspired an economic ripple effect, creating 1,000 new jobs within Promigas and its suppliers and retailers. ”

“ The success of Brilla demonstrates that its BOP customers repay their debt on time when entrusted with credit. ”

The success of Brilla demonstrates that people living at the base of the pyramid behave responsibly when trust is placed in them. Brilla helps welcome people living at the base of the pyramid into the financial system by creating a business relationship with them rather than providing charity. To date, Brilla has provided US\$300 million in loans, of which only 1.28 percent are more than 60 days past due.

Some customers asked for loans to buy computers for their children to help encourage their children to stay home, where it is safe, rather than playing outside. Others wanted to purchase appliances for their home or to start microbusinesses. Some people, for instance, purchased sewing machines to create clothing to sell. Others purchased refrigerators to use to sell cold juice. One woman purchased a cart with a washing machine in it and earned money by going from house to house washing people's clothes.

## LINKS AND RESOURCES

Official website	<a href="http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Inicio">http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Inicio</a> (Spanish) <a href="http://www.promigas.com/wps/wcm/connect/NeoPromigas/English">http://www.promigas.com/wps/wcm/connect/NeoPromigas/English</a> (English)
Description of Brilla launch	<a href="http://www.promigas.com/wps/wcm/connect/Web_Content/promigas/english/more+links/press+room/news/comunicado+informe+anual+ingles-2008">http://www.promigas.com/wps/wcm/connect/Web_Content/promigas/english/more+links/press+room/news/comunicado+informe+anual+ingles-2008</a> (English)
Publications	<a href="http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Informese/Publicaciones/">http://www.promigas.com/wps/wcm/connect/web_content/NeoPromigas/Informese/Publicaciones/</a> (Spanish)