ENTREPRENEURIAL FINANCE LAB

EXPANDING ACCESS TO DIGITAL FINANCE

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New Trends

Mobile

<table>
<thead>
<tr>
<th>Year</th>
<th>Feature Phone</th>
<th>Smart Phone</th>
<th>Total Mobile Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>60%</td>
<td>40%</td>
<td>8 million</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td>5.2 billion</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td>7.5 billion</td>
</tr>
</tbody>
</table>

User Expectations

- Safe
- Trustworthy
- Where I am
- Flexible
- Responsive
- Simple
- Quick
- Fun
- Engaging
- Helpful

Big Data

90% of the world’s data was created within the last two years.

FinTechs

- Marketing / Branding
- Customer Acquisition
- Channel Access
- Funding
- Products / Services
- Underwriting
- Operating Efficiency
- Data Analytics

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Solution

- Business skills / Consumer behavior
- Ethics & Honesty
- Fluid intelligence
- Attitudes & Psychological Profile
If you were to take a loan and **NEVER REPAY IT**, how much respect, admiration and influence would you have compared with others?
Journey

Customer Acquisition → Digital Channel → FI Screening → Traditional / Digital Underwriting → The Best Credit Decision

High volume

Mobile / PC / Tablet

Data Analytics and Scoring Strategy

Application
Psychometrics
Online Social
Sales History
Bank Account Aggregation
GIS
CDR

Score Delivered

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## Credit Score

Represents a score that can be used to determine the credit decision. Using a cutoff, the score determines who to accept or reject.

<table>
<thead>
<tr>
<th>Acceptance Criteria</th>
<th>Risk-Based Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accept applicants with scores above optimal cut-off.</td>
<td>Align interest rates with credit default risk.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Fast Track Approval</th>
<th>Loan Size Determination</th>
</tr>
</thead>
</table>
Use Case - India

EFL expands lending to the other 80% of consumer and enterprise lending markets . . .

Leverages alternative data and technology to increase efficiency and productivity

Works with data-driven CRO and Senior Management to make reliable & timely risk management decisions.
Predictive Power

FI1

Worst Score

Best Score

Default Rate

5% 4% 3% 3% 2%

~2x

FI2

Worst Score

Best Score

Default Rate

17% 12% 7% 9% 5%

~4x

FI3

Worst Score

Best Score

Default Rate

11% 5% 4% 5% 4%

~3x

FI4

Worst Score

Best Score

Default Rate

13% 11% 8% 8% 3%

~4x
Traction

675,680 credit assessments

+$1 Billion loan decisions

27 countries

Psychometrics

Mobile / CDR

Social


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Partnering with EFL

- Control Risk
- Increase Approvals
- Transformational Efficiency
- Proven Alternative Data
- Compete in a Digital World
- Partner with EFL

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