Dashu Financial Service Ltd

A Leading Fintech Company Bridging SMEs and Banks
Who we are, What we do.

- A leading Fintech company, China’s Muhammad Yunus in bridging SMEs and Retail Banks.
- Facilitate over 100K SMEs with financing, and 30+ banks with credit risk control service.
- Credit Loan amounted from 50,000 to 500,000 RMB, with 1-3 years loan term.
Dashu Risk Management Framework is composed of Three Engines Covering Credit Life Cycle

- **Application Scorecard**
- **Anti-Fraud Score**
- **Behavior Scorecard**
- **Collection Scorecard**
  - Early Collection
  - Late Collection
  - Recovery

**Strategy Engine**
- Client Policy
- Industry Policy
- Product Policy
- Credit Policy
- Underwriting
- Early Warning
- Credit Limit
- Collection first-class strategy
- Anti-Fraud
- Collection second-class strategy
Model Algorithm

- Use divergence algorithm, FICO patented technology.

- Data Sample: 50000+ loans with 10 billion loan amount in 2 years
- 12 months performance window with another 10 billion loan amount
- Total 20 billion loans in 3 years

- Data quality control

- Integrated enriched business experience into variables deriving and selection

K-S : The maximum difference between the cumulative “good” customer ratio and the cumulative “bad” customer ratio on different fractions (0-100)

ROC : The percentage of bad customers accumulated at a certain proportion of good customers (0.5-1)

Divergence : The square of the mean difference between good and bad customers is divided by 0.5 times of the square sum of the customer’s standard deviation (0, +∞)

- Daily monitoring on score migration
- Monthly monitoring and validation
- Population shift

- Customized strategy for different level of risk population
- Score cut-off fine-tune

- Balance discrimination and stability
- The highest KS may not the best
Big Data Application

- Utilize big data to enhance risk management and value creation

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<th>Big Data Risk Management Database</th>
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<th>External &amp; macroeconomic Data</th>
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Core Data:
Grasping customer risk characteristics through core data to predict customer risk accurately.

Satellite Data:
Using external big data to improve customer profiling

Application Credit Bureau Behavior

- Modelling technique
- Big data strategy
- Improving risk control capability by integrating big data into credit factory module

- Credit Risk
- Anti-Fraud
- Profiling
- Valuation
- Loss Forecast
Anti-Fraud Framework

Dashu Anti-Fraud Framework

Data Preparation

Machine Learning

Fraud Risk Management

Decision Engine

Real Time Decision

Alerts

Strategy

Disposition

SNA

Model

Rules

Text Mining

Illegibility Matching

Clustering

Data Mart / Data Warehouse

Third Party Data:
- Fraud Black List/
- Device Address
- Black List/
- Joint Modelling
...

Fraud scenarios

False Application info

Parallel lending

Gang Fraud

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Dashu Facts

- Established in 2014
- Net assets: 2 billion RMB
- Anticipated profit before tax: 0.5 billion RMB in 2017
- 1000+ Employees
- 100,000+ SME Clients
- Faciliated 20 billion RMB credit loan underwriting
- NPL rate: 0.5%
- 21 cities
- 30 bank partners