



LenddoTM

Extending inclusive credit using non-traditional data

October 2015

A perfect storm with Three major trends

Failure of traditional lending models

- Absence of a credit score in many emerging markets
- Costs of brick and mortar infrastructure
- Failure to deal with “new to credit” and “thin file” clients
- Lack of developed market type data sources

Large and growing emerging middle class

- Spending growth 10.4% CAR per 2010-20
- 1.2 billion emerging middle class by 2030
- More wealth outside the G20 by 2035

Broad Social/ Mobile Use

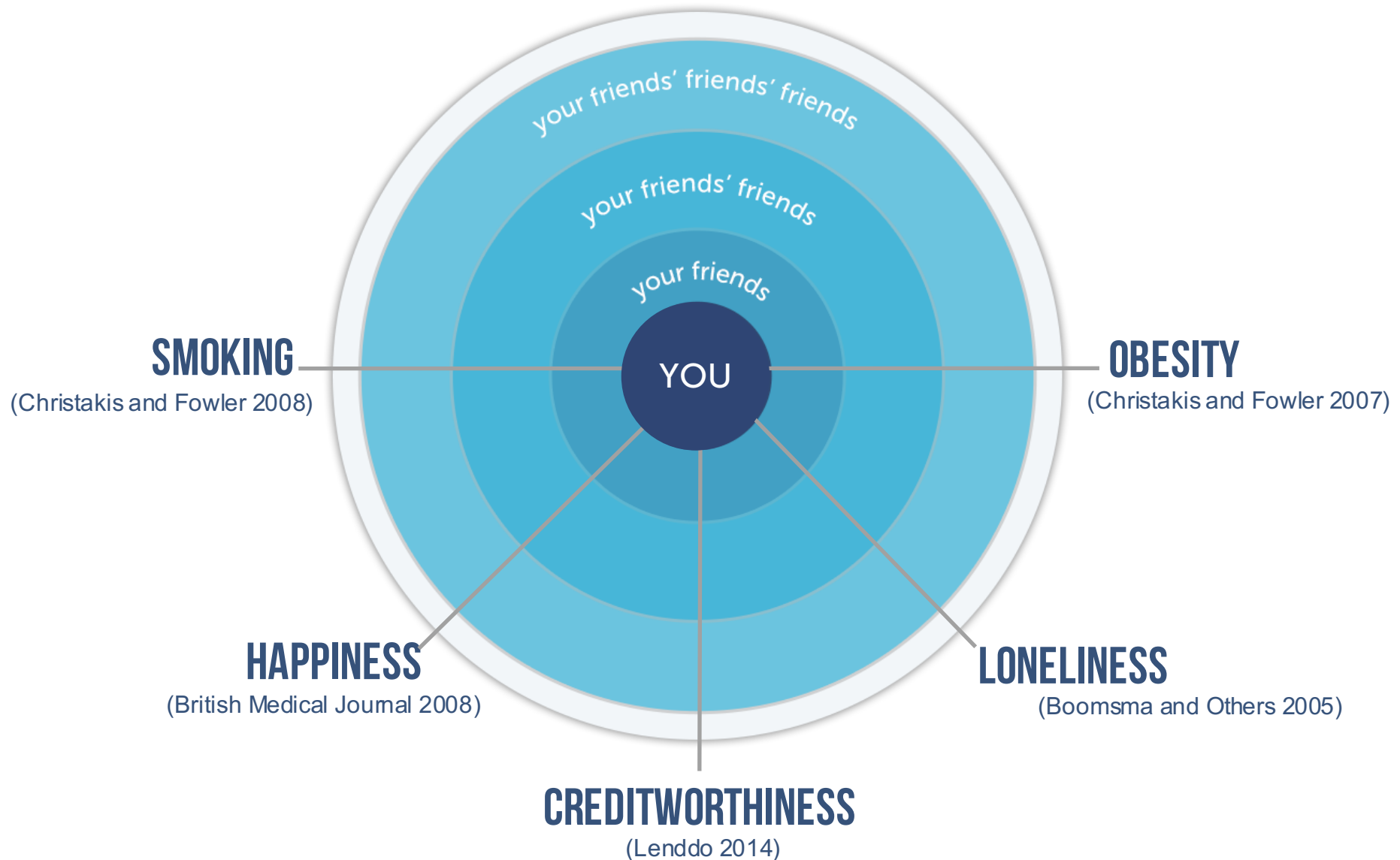
- Proliferation of data
- 80% coverage by 2020
- Rich risk analytic data set
- Online connections mimic offline community dynamics



How can the emerging middle class get credit?



Social Networks and Behavioral Science



2.6 BILLION

DATA RECORDS
USED BY ALGORITHM



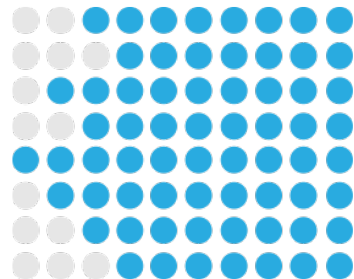
12,000

BEHAVIORAL
VARIABLES



80k+

CREDIT
DECISIONS



<5 MINUTES

TIME TO SCORE



Putting machine learning to work

2.6 billion data records

12,000 variables

300 features

15 best features

MACHINE LEARNING

Latent Dirichlet
Allocation

Arachno
Score

NLP

Markov
Network

Multiple Cox
Regression

VERIFICATION



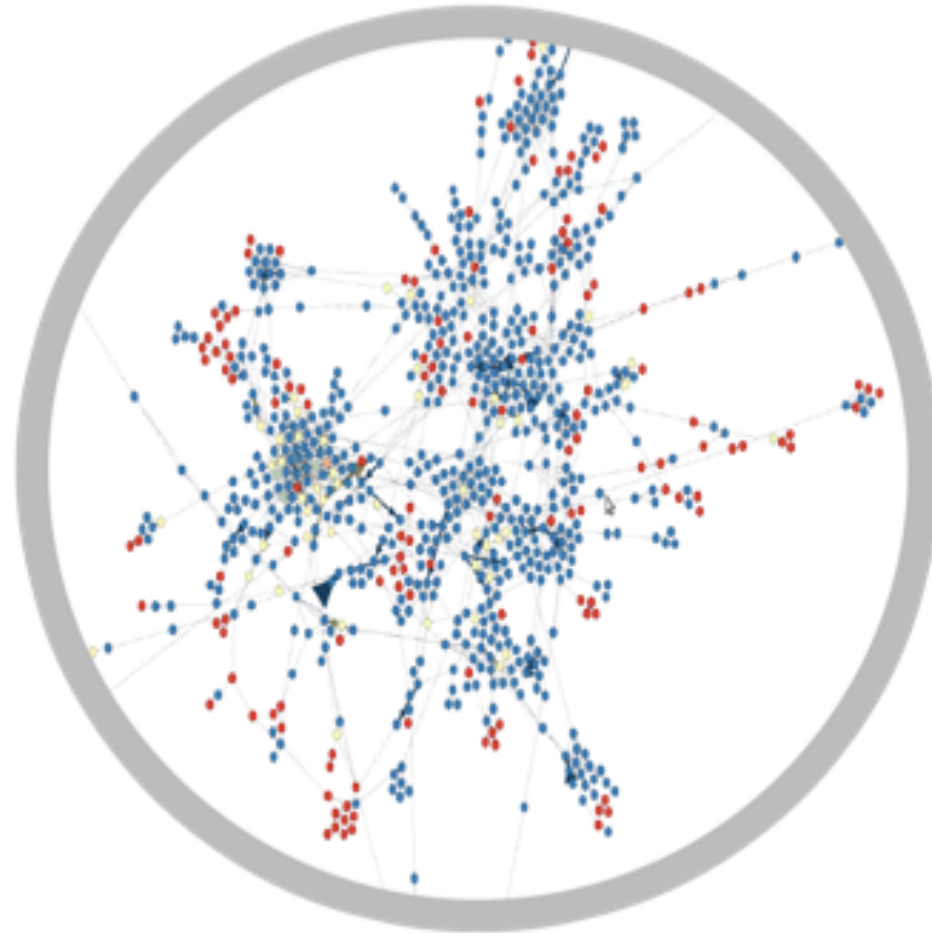
SCORING

874



Example of Variables

Birds of a feather flock together



A social graph demonstrating
how we build our Arachno Score™

Example of variables

“Can the *‘natural log of the number of messages received more than once from contacts’* really contribute to a score predictive of repayment behaviour”?

“Yes”

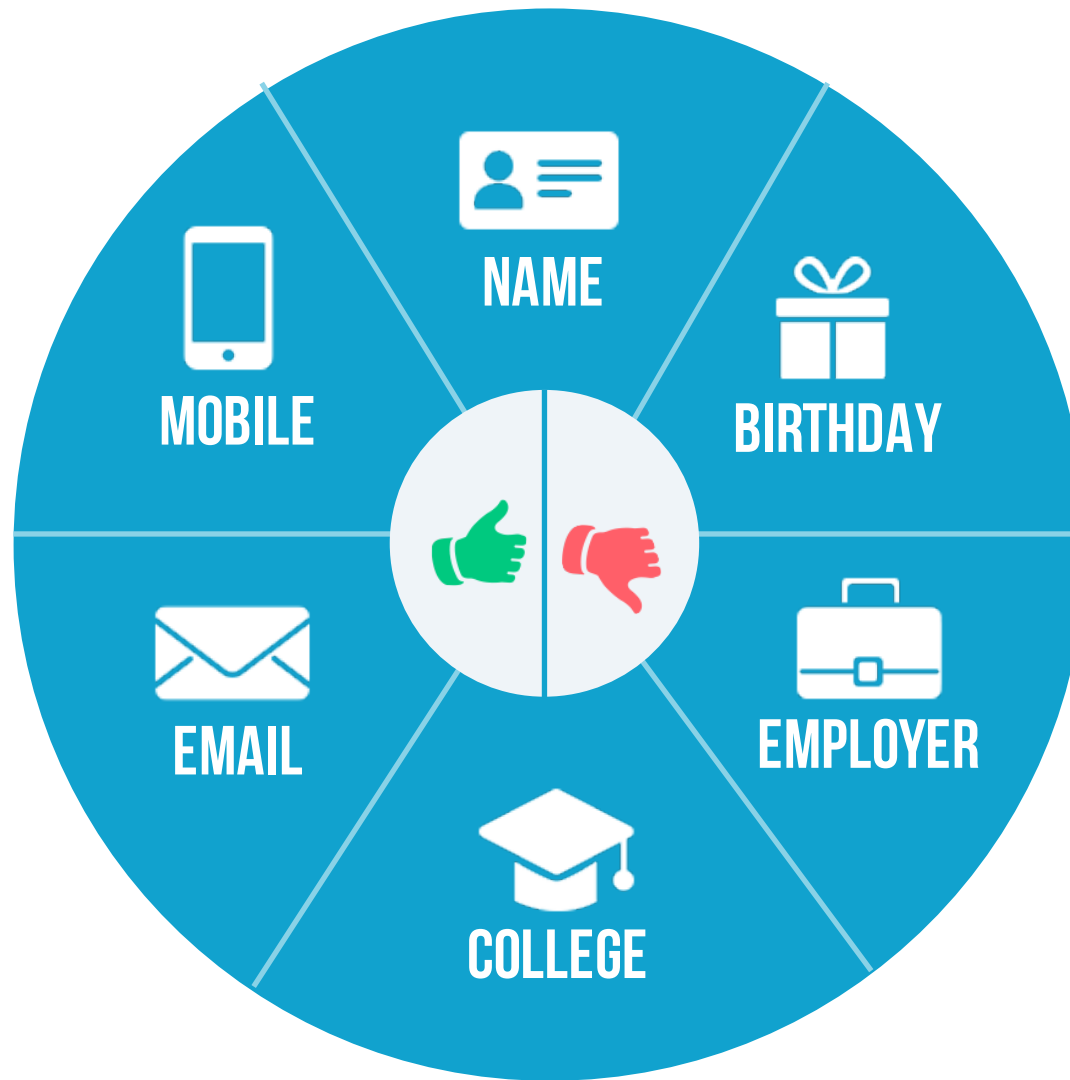




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The KYC Challenge

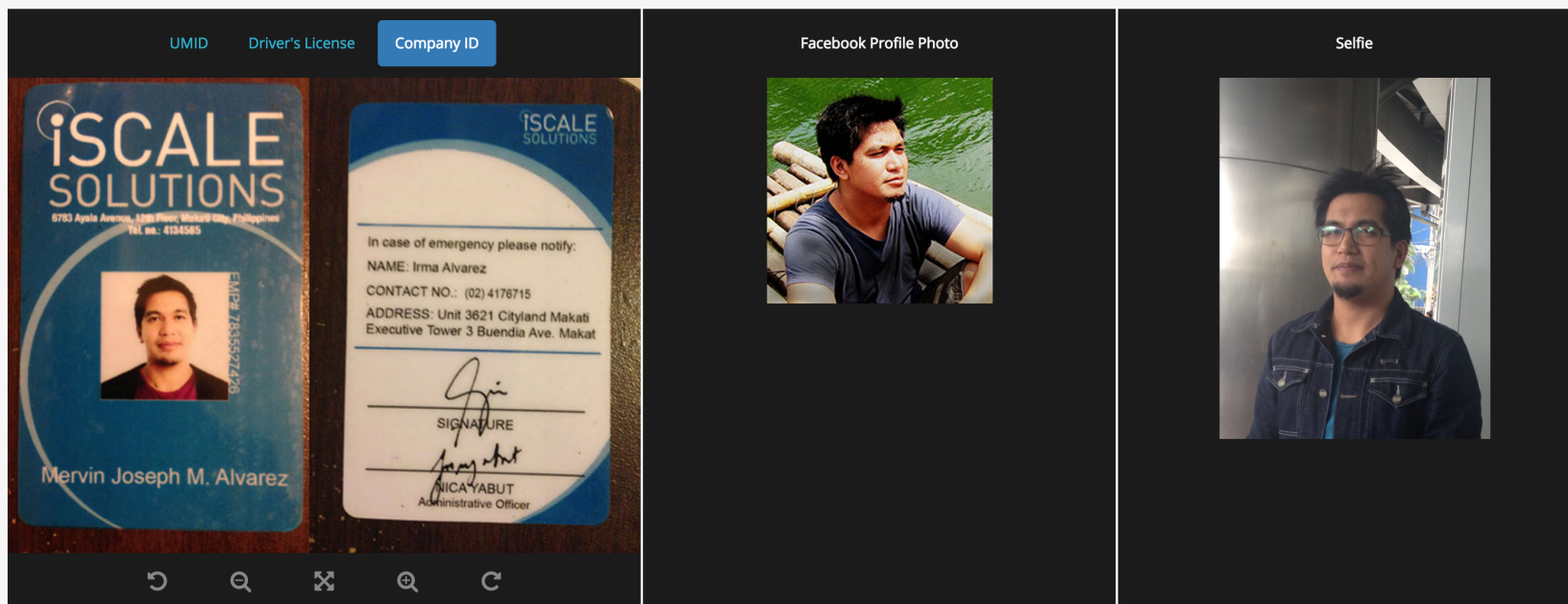
Authentication Types



PARTNER SERVICES

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Verification Details for Client ID 'CS0856167'

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Verification Type	Application Form Details	UMID	Driver's License	Company ID	SocialVerify
Full Name	Mervin Joseph Alvarez	✓ Verified	✓ Verified	✓ Verified	✓ Verified NM04
Date of Birth	February 28, 1980	✓ Verified	✓ Verified	Not Applicable	✓ Verified
Residential Address	Unit 3621 Cityland Makati Executive Tower 3, Buendia, Makati City	Not Applicable	✓ Verified	✓ Verified	✓ Verified
Employer	iScale Solutions	Not Applicable	Not Applicable	✓ Verified	! Insufficient Data EM02
University	University of the Philippines Los Banos	Not Applicable	Not Applicable	Not Applicable	✓ Verified
Email Address	mjalvarez@gmail.com	Not Applicable	Not Applicable	Not Applicable	✗ Not Verified
Primary Mobile Number	0926-9119111	Not Applicable	Not Applicable	Not Applicable	✗ Not Verified

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Thank you