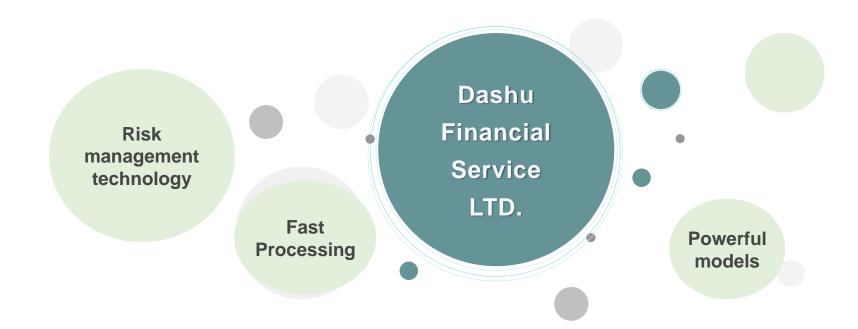


Dashu Financial Service Ltd

A Leading Fintech Company Bridging SMEs and Banks

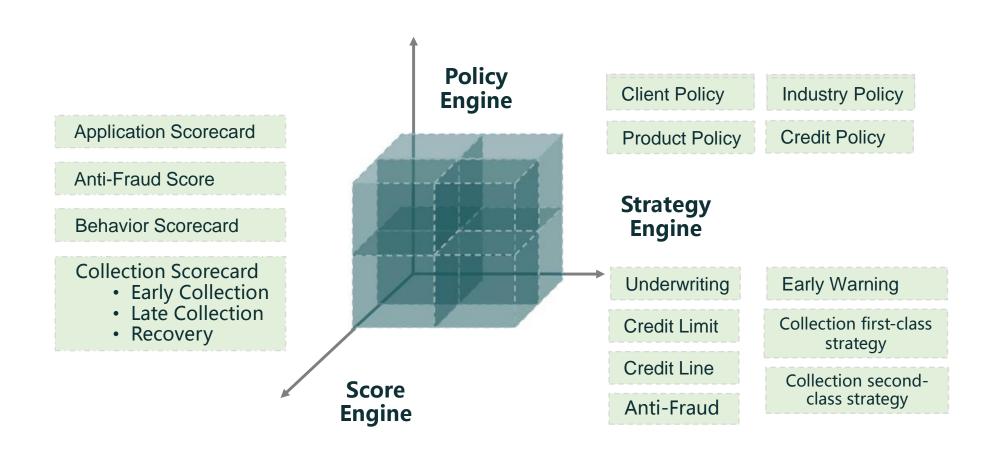
Who we are, What we do.

- 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

Fraud



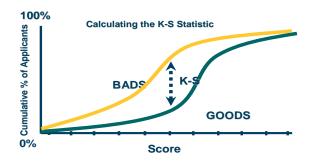
Model Algorithm

Use divergence algorithm, FICO patented technology.

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

Data quality control

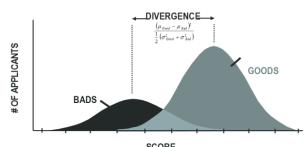
• Integrated enriched business experience into variables deriving and selection



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, $+\infty$)

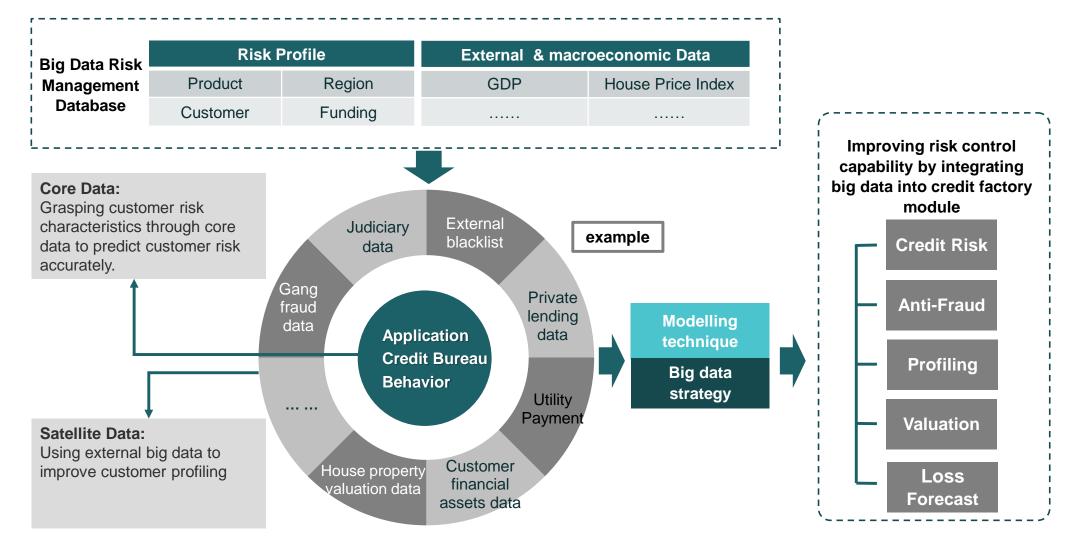
- Daily monitoring on score migration
- Monthly monitoring and validation
- Population shift

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

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

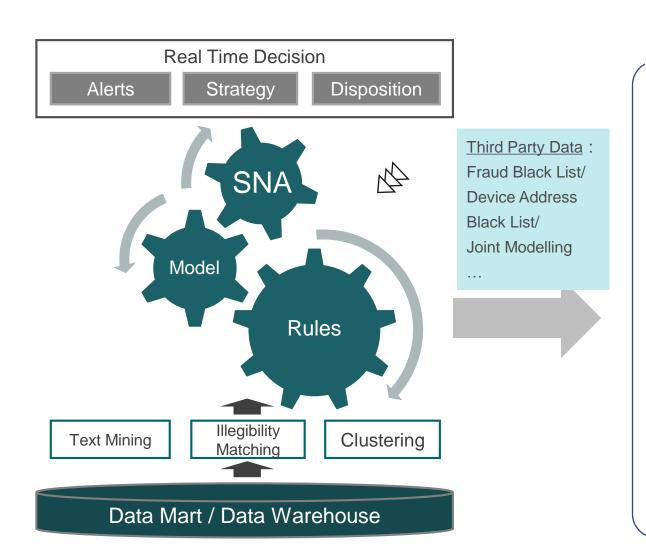
Big Data Application

Utilize big data to enhance risk management and value creation



Anti-Fraud Framework

Decision Engine Dashu **Fraud Risk** Management **Anti-Fraud Framework** Machine Learning **Data Preparation**



Fraud scenarios

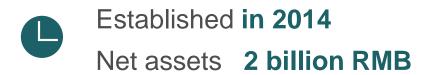
False
Application
__info

Parallel lending

Gang Fraud

.





Anticipated profit before tax **0.5 billion RMB** in 2017



Faciliated **20 billion RMB** credit loan underwriting NPL rate **0.5**%

21 cities30 bank partners