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MULTITUDE

RISK MANAGEMENT & DATA SCIENCE

CAPITAL MARKETS DAY 2021

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IMPAIRMENT LEVELS CONSTANTLY IMPROVING & SOLID TRACK RECORD IN SUCCESSFULLY MANAGING RISK

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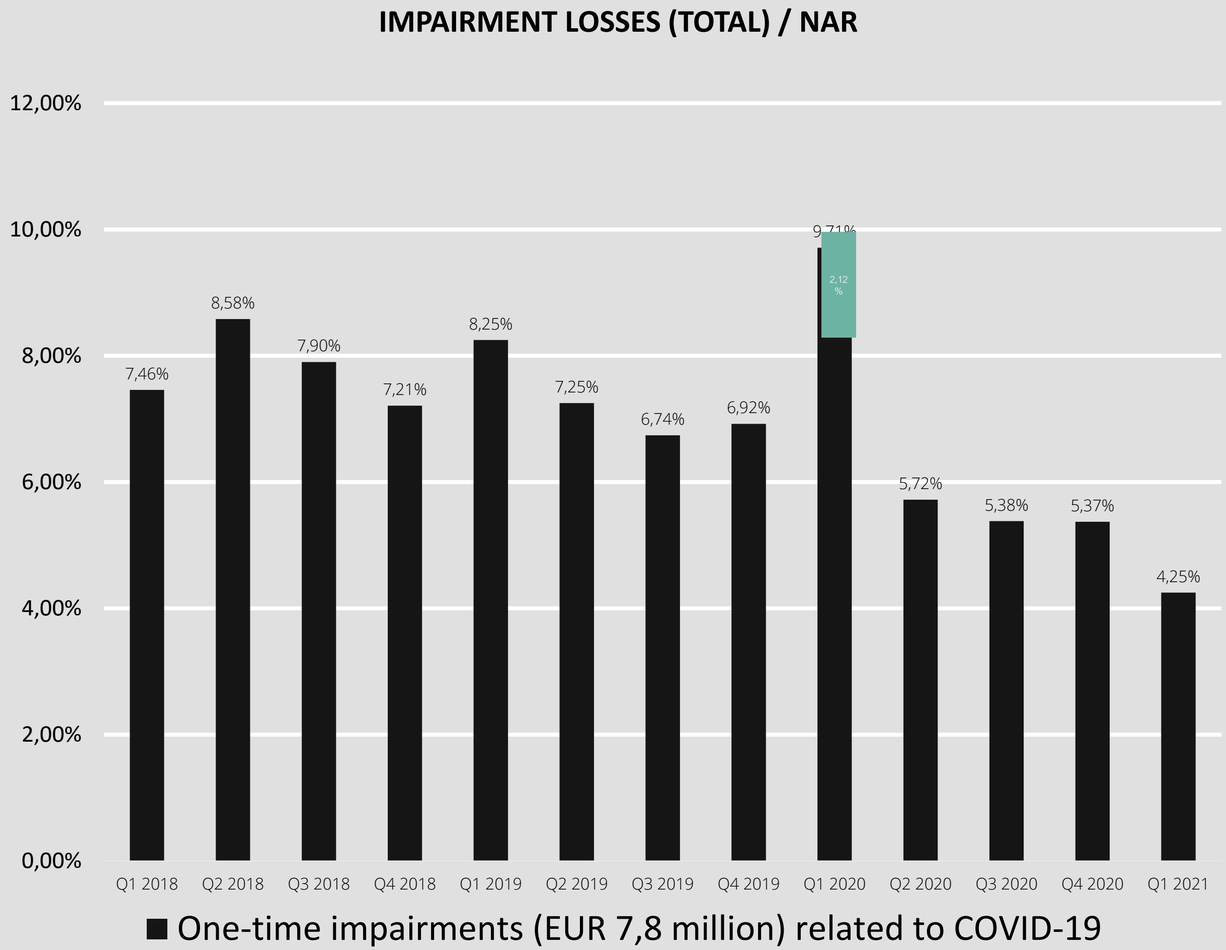
- Centralized & independend Risk Function
- 30+ experienced Risk professionals
- Highly skilled and experienced Risk Team with superior analytical skills specifically in AI & Behavioral Science
- Data Science Team as Center of Excellence Advanced Analytics & Modelling for Multitude, leveraging our unique data assets and real time data streaming capabilities as our competitive edge
- 16 years of experience in managing risk in the lending business across 25+ markets across 4 different continents.
- Strong Risk Performance, proven ability to manage multiple product offerings



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TODAY'S FOCUS IS DATA AS A KEY ELEMENT TO DRIVE PROFITABLE GROWTH

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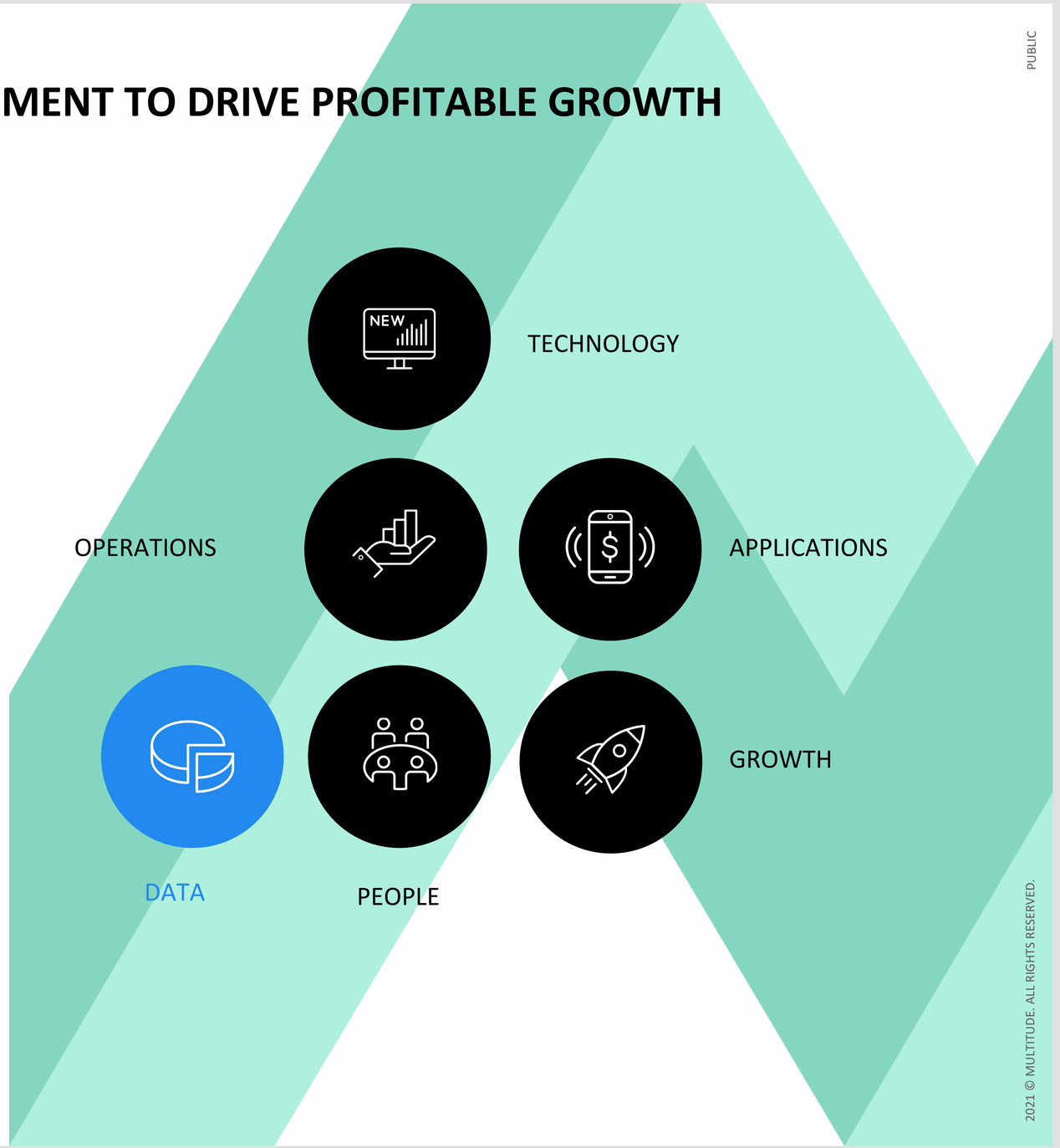
- 16 years of data across 25+ markets and 4 continents enriched with relevant external data
- Data Collections and usage across the entire Customer Lifecycle
- Data Science Team is leveraging the data End-to-End throughout the Customer Lifecycle
- Unique data assets, state of the art analytics and best in class technology to drive profitable growth



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ROBUST & AGILE DATA ANALYTICS PROCESS TO SUPPORT PROFITABLE GROWTH

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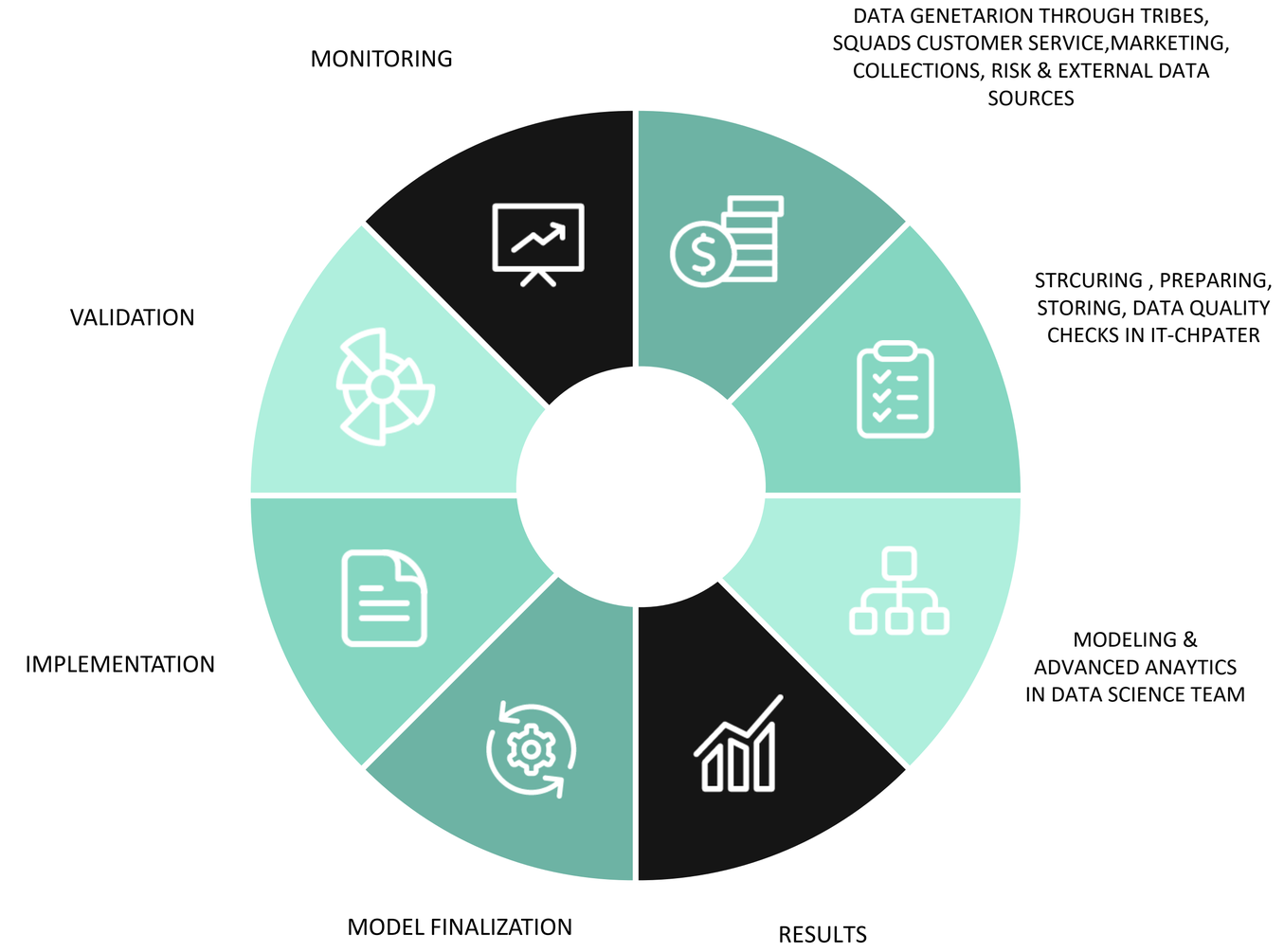
- Agile Organization with day-to-day cooperation in Squads & Tribes balanced with central support through the Risk Chapter
- Fast decision-making processes and quick implementations of changes, as proven through COVID-19
- Providing analytics for all Multitude functions and through the entire customer lifecycle
- Profitability based decisioning in place vs. risk decisioning, necessary for Sweep Bank products
- Succesfully supported transition to higher loan amounts, longer loan tenure and more attractive customer pricing



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PREDICTIVE MODELLING ACROSS THE ENTIRE CUSTOMER LIFECYCLE

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PSD2

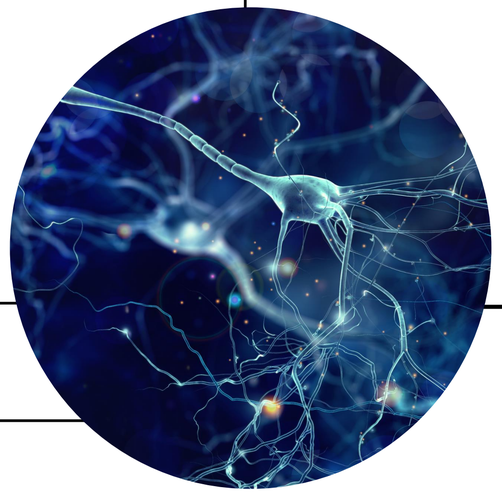
Transactional data
Spending categorization
1.8m+ sessions
1.1b+ transactions
2k+ features

EXTERNAL DATA

Huge amount of different
data sources up to 500 features
per data source

INTERNAL DATA

Application form
Payment behavior
Product utilization
Collection’s effectiveness
Marketing response
16 years of history



DECISION ENGINE

End-to-end flow management
Automated documentation
Seamless implementation
Full experiment control
GDPR compliant
Data integration
Version control

OUTPUT

Champion/challenger setup
Analytical applications
Automated analytics
Canary deployment
Scoring models
Global models
Rapid scaling
autoML

APPLICATIONS CUSTOMER LIFECYCLE

Customer segmentation
Credit scoring
Behavioral scoring
Collection's scoring
Churn scoring
Engagement scoring
Engagement frequency
Messaging insight
Sent time optimization

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TIME TO MARKET OF MODEL OPTIMIZATION MUCH FASTER THAN INDUSTRY STANDARD

Case Study: Latvia, New Customers, 2020 Background: Leveraging PSD2 More efficiently.

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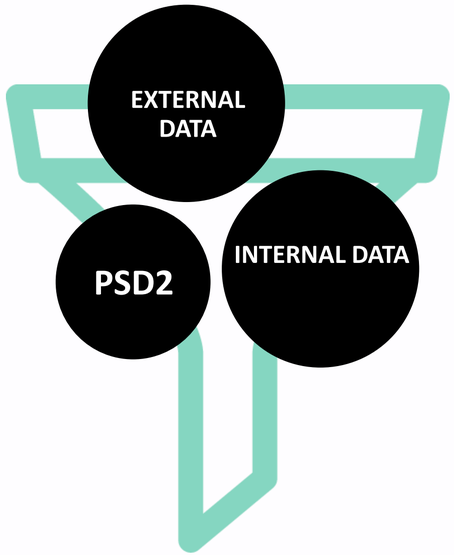

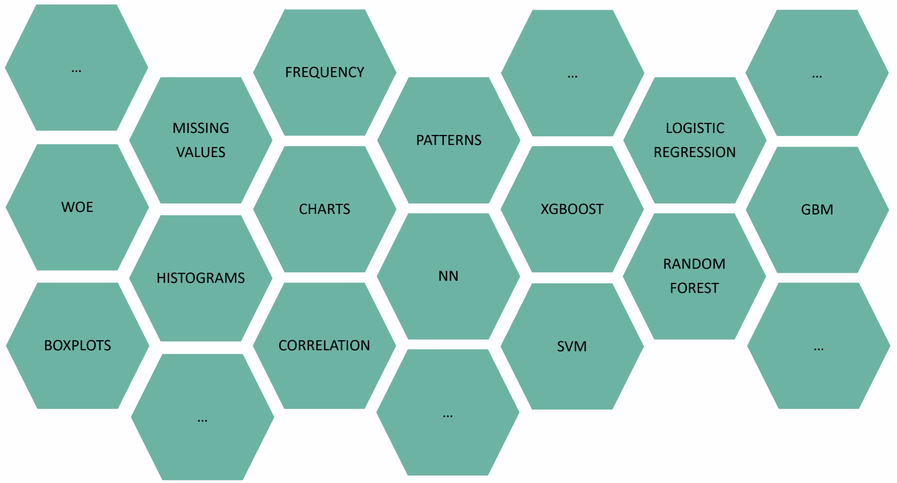

CHAMPION	CHALLENGER
4% ↑ Default Rate 8% ↓ Discrimination Power	Same FFI Approval Rate 4% ↓ Default Rate 8% ↑ Discrimination Power

Project Scoping → Data Pipelines → Feature & Target Engineering → Exploratory Analysis → Statistical Modeling → Model Review & Credit Forum Approval → Deployment → Model Validation

DAY 0 — **WEEK 3** — **WEEK 4** — **WEEK 6**

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VISION	INDUSTRY LEADER IN ADVANCED ANALYTICS & DECISION SCIENCE			
ASPIRATIONAL OBJECTIVES	WE PROVIDE RIGHT TALENT & KNOWLEDGE	WE LEVERAGE BEST IN CLASS TECHNOLOGY	TOP CLASS ANALYTICS & DATA TO SUPPORT PROFITABLE GROWTH	FULLY LEVERAGE STATE OF THE ART DATA STREAMING TECHNOLOGY
STRATEGIC CHOICES	Centers of Excellence in Risk Chapter	Personalized customer targeting	Increased Investments in external data	Real-time operational reporting
	Dedicated, but independent risk employees inside the tribes	Invest in Data Science as the key competitive edge	Further investment in Data Science Team	Fraud Risk Management in real time vs. batch
	Strong focus on training, development and talent retention	Profitability vs. Product level	One unified Decision Engine across the customer lifecycle	Real time Marketing to improve conversion rate

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WE ARE WELL PREPARED FOR THE FUTURE

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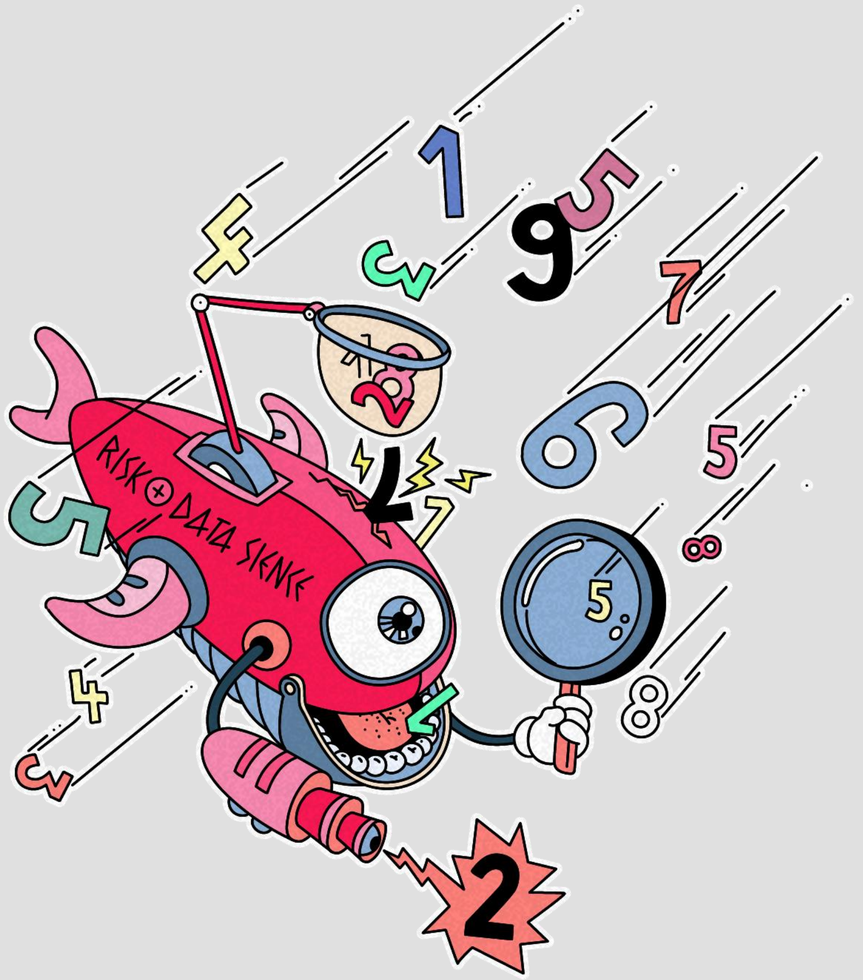
- Global and fast scalable processes, capabilities & analytics in place
- Proprietary data availability across the entire lifecycle for 16years, 25+ markets and five products combined with external data
- Proprietary data asset value will further grow with the Credit Card transactional POS behavior data
- Highly talented and experienced Risk Team working closely together with Tribes & Squads.
- Strong and skilled Data Science Team as our competitve edge in place and further growing
- Further investments in data, people and capabilities are planned



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THANK YOU

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