MONSOON
LENDING, SIMPLIFIED.
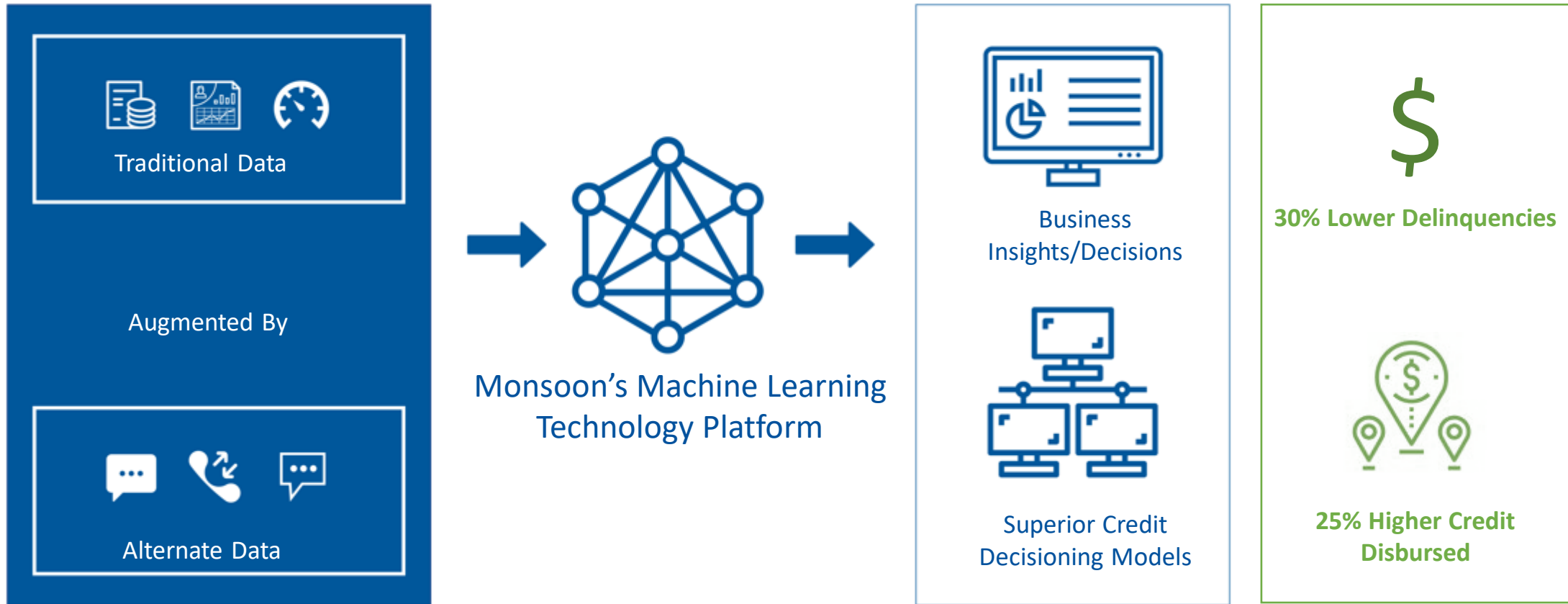
**Re-take control of your loan portfolio in the Post Covid World**

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Monsoon's ML powered Credit Underwriting Platform: Succinct Value Proposition

Traditional Data

Augmented By

Alternate Data

Monsoon's Machine Learning Technology Platform

Business Insights/Decisions

Superior Credit Decisioning Models

30% Lower Delinquencies

25% Higher Credit Disbursed

Our technology & models are used by 21 lenders across 3 geographies

We work with 21 banks & lenders across 28 portfolios
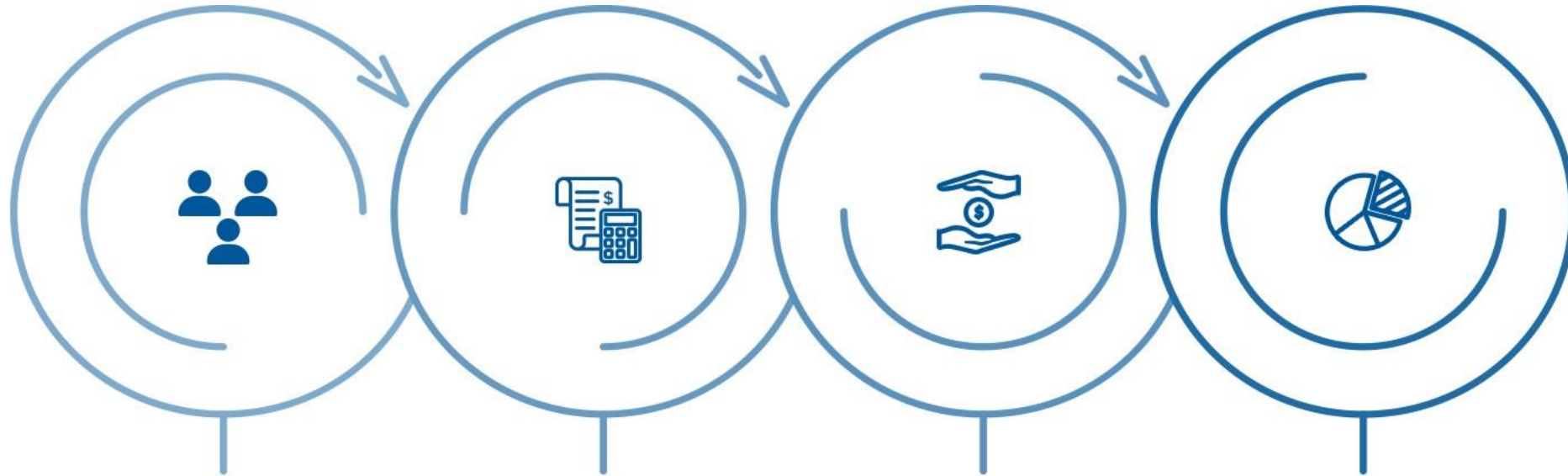
21 banks & financial institutions	2.5 Million Customer Accounts	$ 3.6 billion worth of loans	28 Consumer & Small business portfolios
(customers)	processed	processed	managed

Average improvement in bottom line of 31% on each portfolio

Some of our prominent clients

Summarized Offerings: Thriving in the new normal

Manage Risk and Minimize slippages

3 stage Risk Scorecards to revaluate risk levels of existing loan portfolios in the Post-Covid environment

Collections Scorecards to help you optimize your collections strategy and maximize recoveries

Limit Optimization models to dynamically manage credit limits of credit lines & credit cards in the post-Covid environment

Drive enhanced revenue, activations and interest income

Cross sell models to assess **propensity & credit-worthiness & suitability** of existing customers for top-up loans, gold loans, personal loans etc

Preapproval models to pre-approve loan products to existing asset/liability side customers

Transaction boosting models & interventions to driver higher credit & debit card transactions and card activations

Powered by Monsoon's Machine Learning Technology Platform

The Monsoon Approach to thriving in the new normal

Activity	Target	Tool	Action	Outcome
Assess	Existing Loan & Card Portfolios	**3 stage Risk Scorecards**	Use 3 stage risk scorecard to identify loans/credit cards that are too risky in the new environment	• List of Risky loan & credit cards in the new environment • List of loans & credit cards of acceptable risk in the new environment
Act	List of Risky loan & credit cards in the new environment	**Collections Scorecards** **Limit Optimization Models**	Collection scorecards to optimize collections Use the limit optimization models to proactively reduce credit card limits	• Reduced outstanding amounts on risky loans, lower delinquency rates • Lower credit limits on risky cards, lower delinquency amounts
	List of loans & credit cards of acceptable risk in the new environment	**Cross-sell Models** **Pre-approval models**	Cross sell & preapproval models to issue top-up loans, gold loans and other loan products to good customers	• Higher disbursals, more interest income and improved growth from disbursals to good customers

STEP 1: Re-assess the risk of your existing portfolios

Assess

Existing Loan & Card Portfolios

Using

Monsoon's 3 stage Risk Scorecards

Outcome

List of Risky loan & credit cards in the new environment

List of loans & credit cards of acceptable risk in the new environment
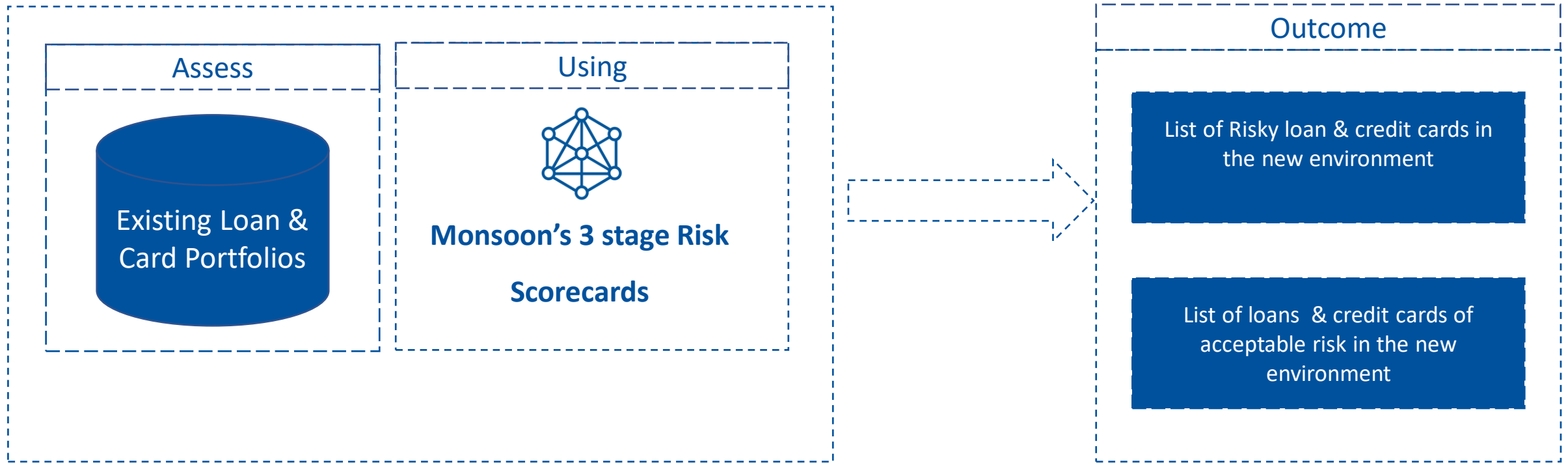
With an accurate assessment of the new risk levels of your existing loan portfolio from the Monsoon 3 stage Credit Risk model, you can take data-backed action to protect your portfolio as well as continue lending in the changed environment.

(Step 1) Monsoon's 3 Stage Credit Risk Model : How it works

Stage 1: Machine Learning based Model

- Advanced **Machine Learning** model captures nuanced patterns between borrower data and repayment data on the basis of historic data

- Under normal circumstances, this is the only stage that would be needed

Stage 2: Personal Financial Impact Model

- Factor Model that analyses the **personal finances, spending patterns, credit history, employment details and 35 other factors** to estimate the ability of a borrower to continue repaying loans during times of income shock.

Stage 3: Covid-19 Dislocation Impact Model
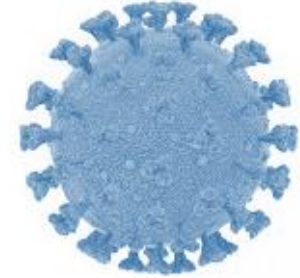
- Model that uses **industry, geography and demographic data** to estimate the impact of COVID 19 on borrowers.

- This model uses publicly available data about **hotspots, containment zones** and impact on various industries to make its estimates

(Step 1) As repayment data comes in over time, the model learns new patterns and updates itself, getting smarter and more effective
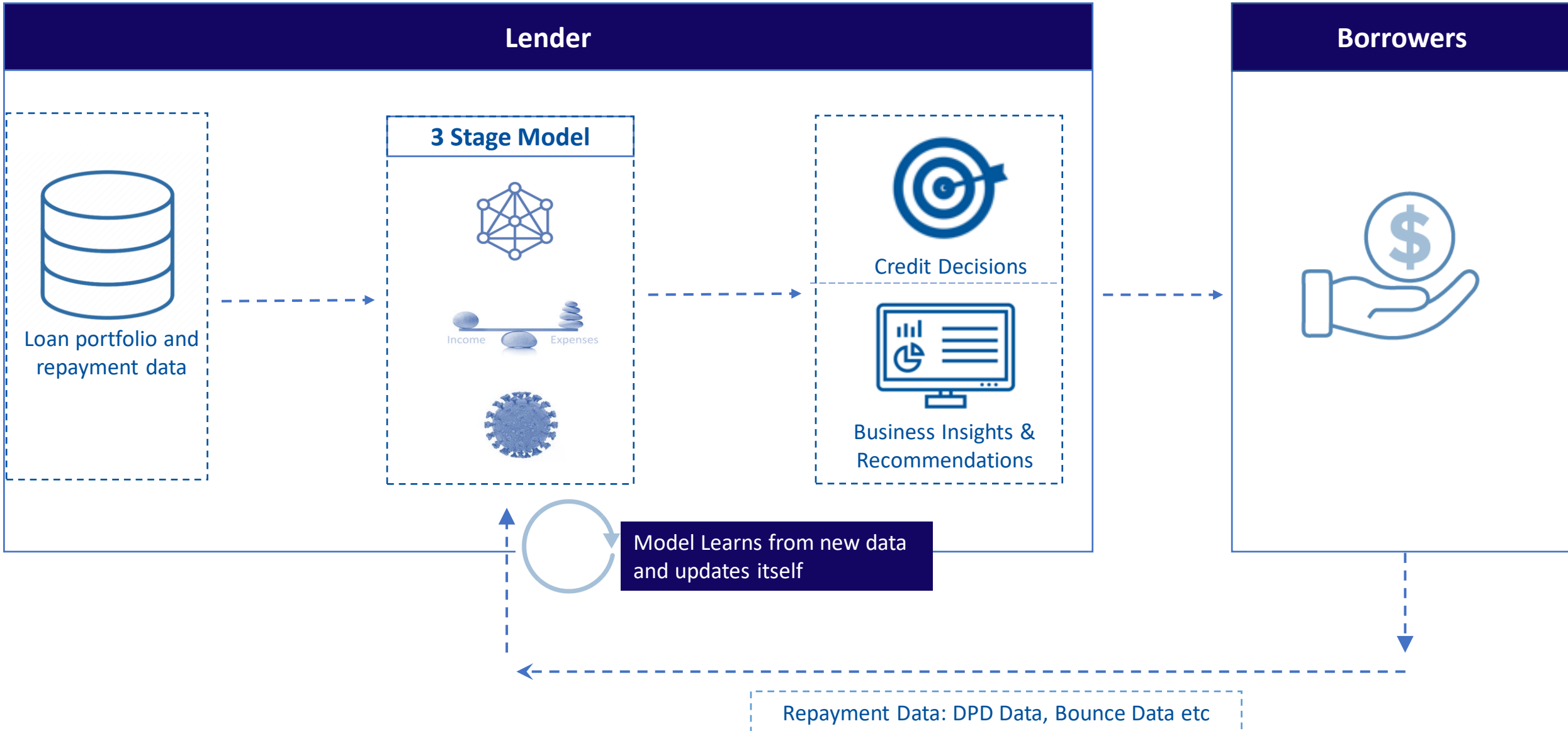
STEP 2: Mitigate risk pertaining to the newly identified risky loans/cards

Mitigate

Risky loan & credit cards identified by the 3 stage credit model

Using

Collections Scorecards

Limit Optimization Models

Outcome

Optimized Collections strategy for every loan that is identified as risky in the new environment

Optimized credit limit for every credit card/credit line identified as risky in the new environment
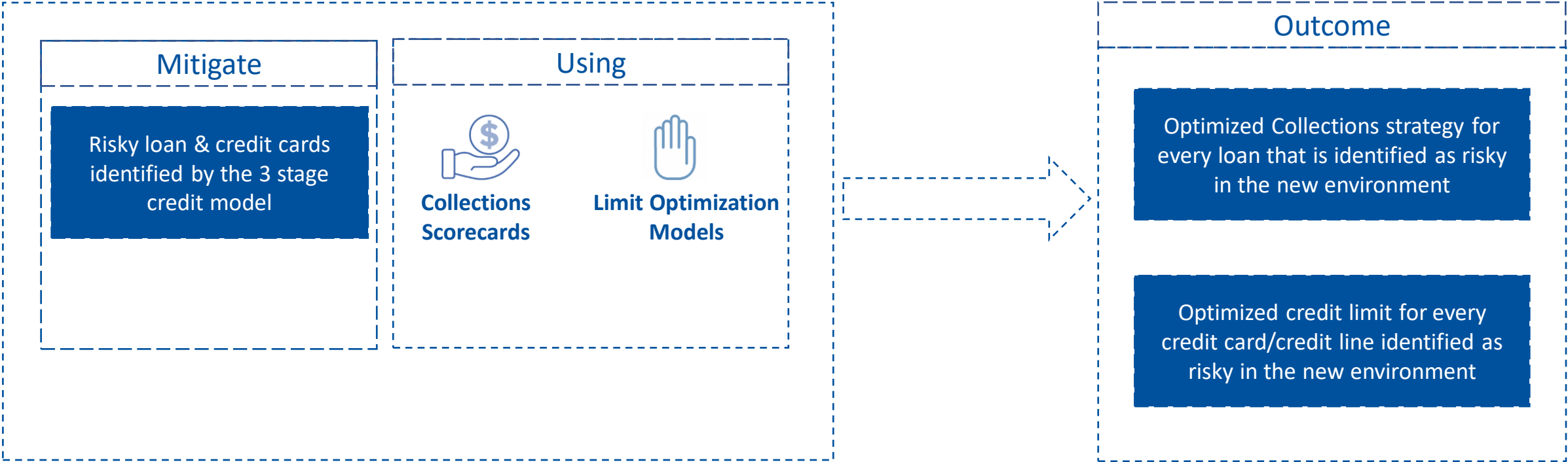
With an optimized collections plan that has loan-level actionables and optimized credit limits for every credit card/credit line, your portfolio remains protected even after the moratorium ends

STEP 3: Upsell and pre-approve new loans to existing borrowers identified as credit-worthy

Upsell & Pre-approve

Loans & credit cards of acceptable risk in the new environment

Using

Cross-sell Models

Pre-approval models

Outcome

Issuance of new top-up loans, personal loans, gold loans and credit lines (from cross-sell models)

Pre-approval of new loans, credit cards & other products to creditworthy liability side customers
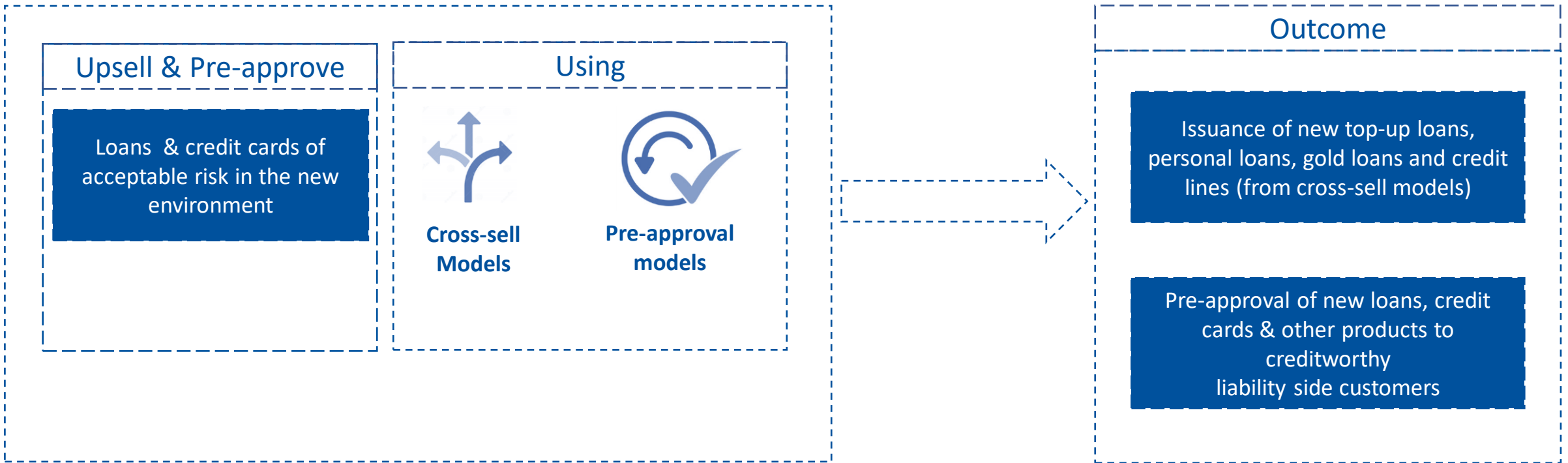
Cross-selling and pre-approval of loan products to creditworthy asset-side and liability-side customers yields interest income, helps grow top lines and bottom lines safely even in the post Covid economic environment

Frequently Asked Questions

But, don't we already have Credit Bureaus? Why do we need Monsoon?

Superior Performance	Monsoon has outperformed credit bureau scores on 26 engagements with 21 lenders and demonstrated superior risk ranking than bureau scores
Unique to each lender	Monsoon's models learn patterns unique to every lender & portfolio that account for differences in borrower sourcing, underwriting and collections.
Covers more data	Monsoon's technology uses credit history along with several other data points such as bank transactions, demographics, income & employment data as well as alternate data.

*TransUnion, Experian, AECB and CRIF are not affiliated to Monsoon in any way

We have excellent internal analytics teams doing this. Why Monsoon?

Proprietary technology

Monsoon's proprietary machine learning technology has outperformed the internal underwriting team's application and behavioural scorecards on every single of the 26 engagements thus far

Focus

Monsoon CreditTech is focussed exclusively on loan underwriting & Credit Analytics. Razer sharp focus allows us to be the best at what we do

Built on more data

Monsoon's machine learning technology has learned patterns on 21 lenders' data. Therefore, it has been exposed to far more data than a single bank's credit/technology teams.

Which loan products do you support?

- Our machine learning powered technology supports virtually all types of loan products in the retail as well as MSME segments.

- From secured loans such as housing loans to unsecured personal loans or credit cards, our technology can find subtle patterns in loan data of various types

- Whether the loans are retail loans such as auto-loans or business loans such as working capital loans or term loans, our platform can make sense of them all

Retail Loan Products
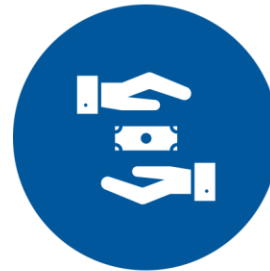
MSME Loan Products

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