OBRAIN

Reveal

Business Pitch

Matteo Campellone - Founder

non performing loan
pREdiction using adVancEd mAchine Learning
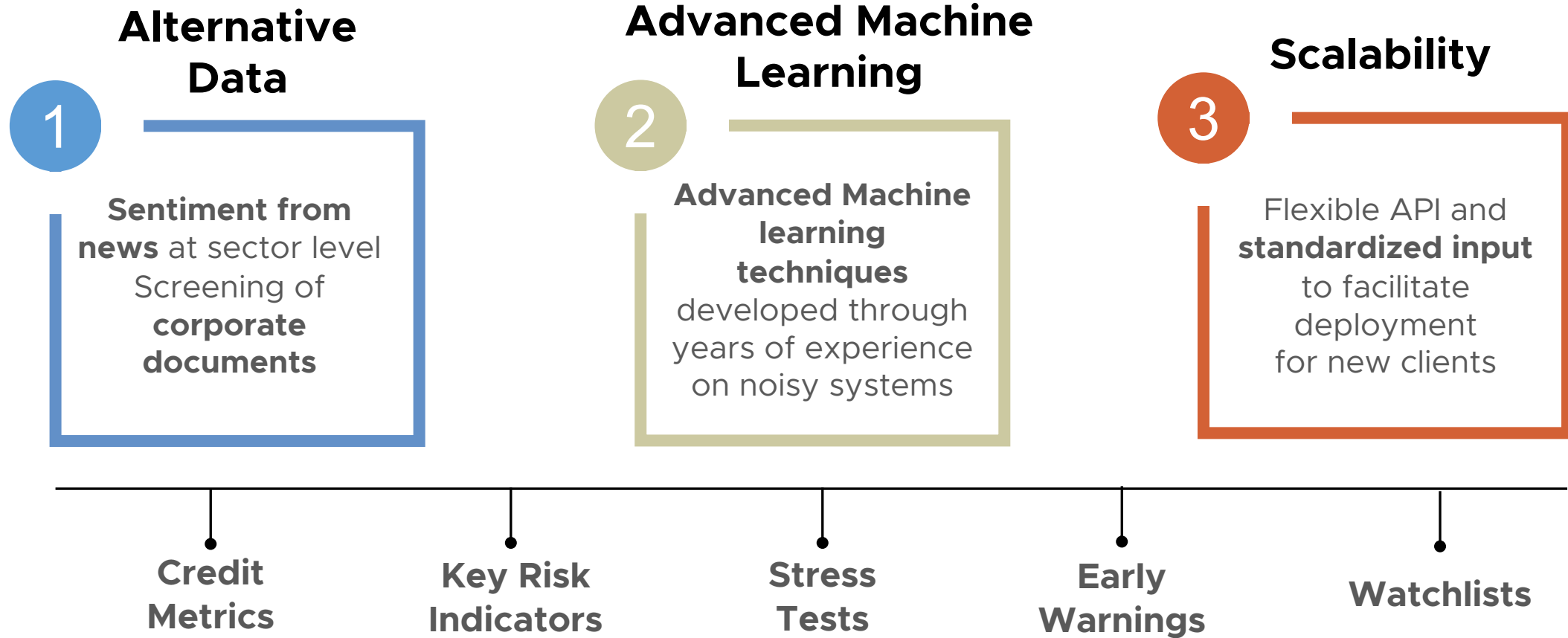
Framework, Problem, Market

- EU is pushing lending institutions to **improve their credit monitoring systems.**

- **SMEs represent a major part of the economy, in EU and in Turkey** (first country to target): 99% of all businesses, 100 million people employed, 57% of GDP in EU, 62% of GDP in Turkey.

- Total loans to SMEs in Target Market **(EU + Turkey): 2.2 trillion euros** (2019). **9%** of total SME loans are NPLs.

Early detection can significantly enhance bank's recovery rate, leading to huge increases in recovered value

One can estimate that every 1% increase in average recovery rate would yield, at total market level, 500M/euro in increased recovered value

Source: EBA, OECD, European Commission

Value Proposition

Alternative Data

1

Sentiment from news at sector level Screening of **corporate documents**

Advanced Machine Learning

2

Advanced Machine learning techniques developed through years of experience on noisy systems

Scalability

3

Flexible API and **standardized input** to facilitate deployment for new clients

Credit Metrics

Key Risk Indicators

Stress Tests

Early Warnings

Watchlists

Business Model

Revenue model

- Integration projects : not so scalable

  +

- Licensing Fee: % of Client Portfolio: **very scalable**

Cost structure

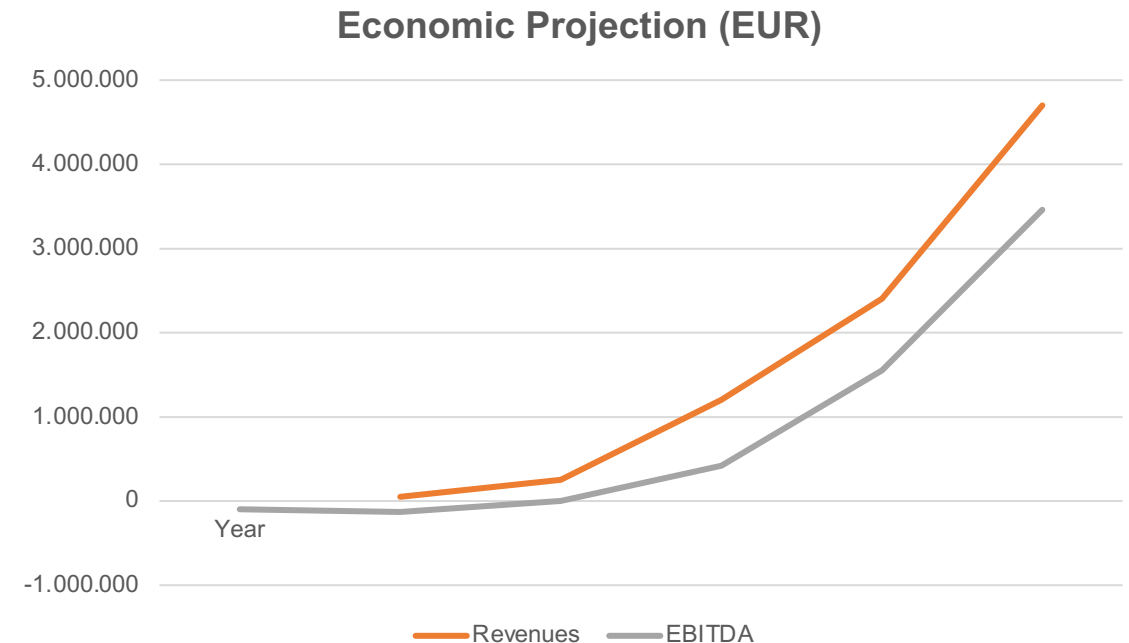|	Y0	Y1
Fixed Costs	100K [Development]	150K [Marketing + Admin]
Variable Costs	-	50K per Client

Go-to-market and Business Plan Implementation

Go-to-market

- Small Medium Lenders: direct

- Large Financial Institutions: partnerships with consolidated consultancy firms

- Total investment needed: 400k / 500k euro

Business Plan Highlights

Year	Phase
Y0	Development
Y1	First Client
Y2	Breakeven (1,25 bln euro credits)
....	
Y5	Rev 5M euro , EBITDA 3,4M euro

Economic Projection (EUR)

The Brain Team

A **unique mixture of academic research in hard sciences and business experience** to solve complex problems with advanced statistical methods. Proven experience in realization of reliable IT cloud infrastructures
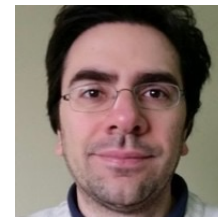
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