

**Big Data + AI + Blockchain**

**VS**

**Global SME Underfinancing**

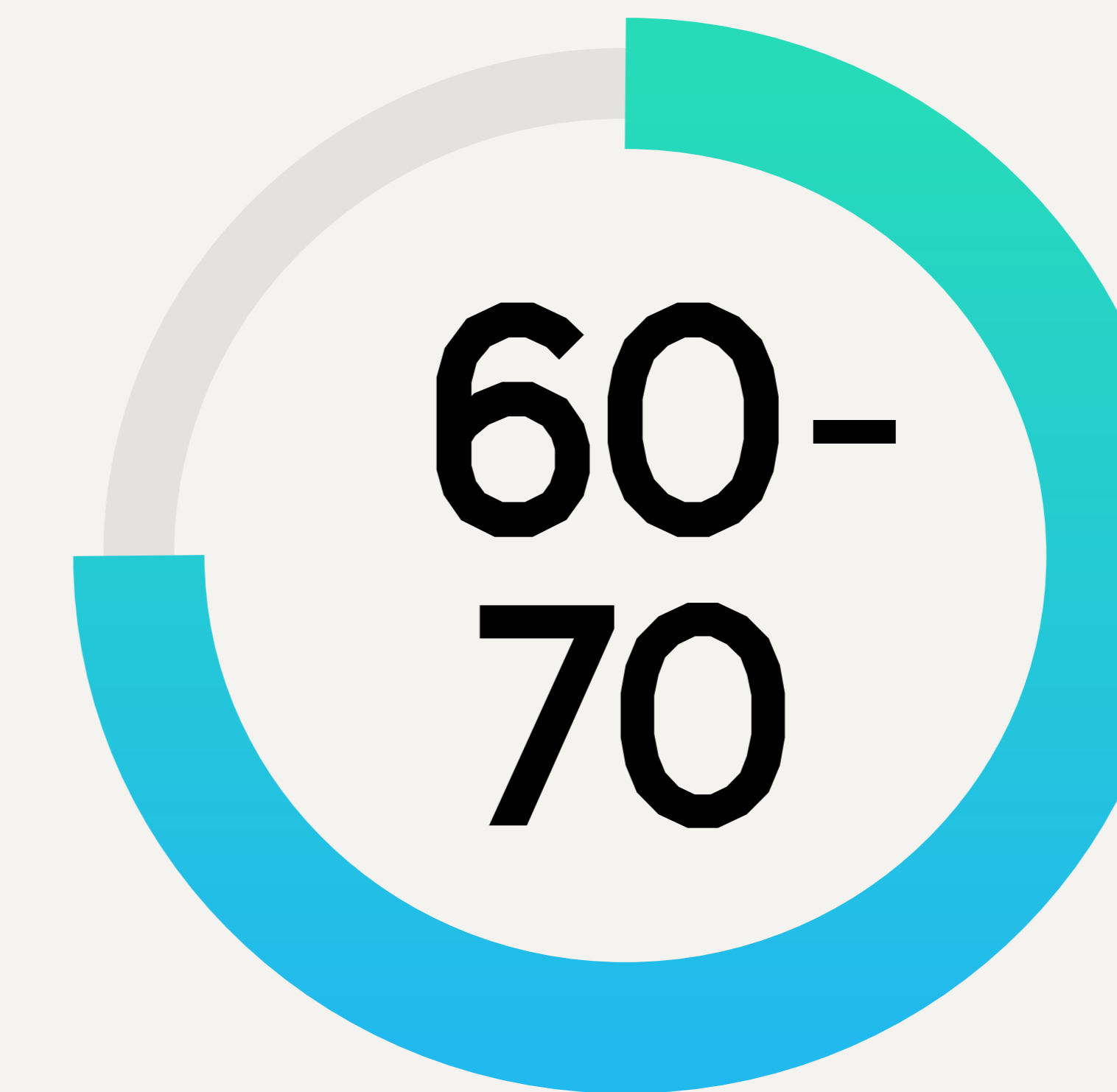
# What is SME?



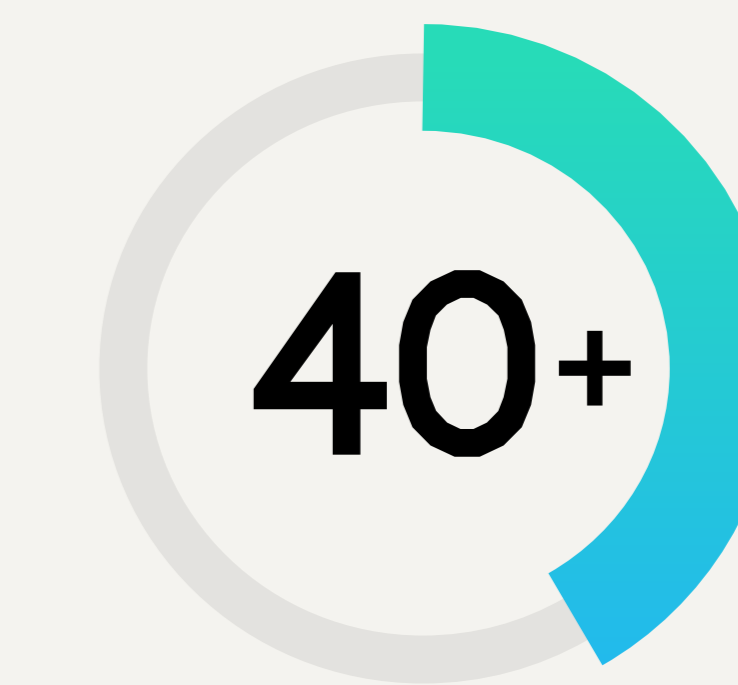
Organisation for Economic Co-operation and Development defines SME as firms with fewer than 500 employees, in EU - fewer than 250.



% of all companies



% of all jobs



% of jobs in manufacturing



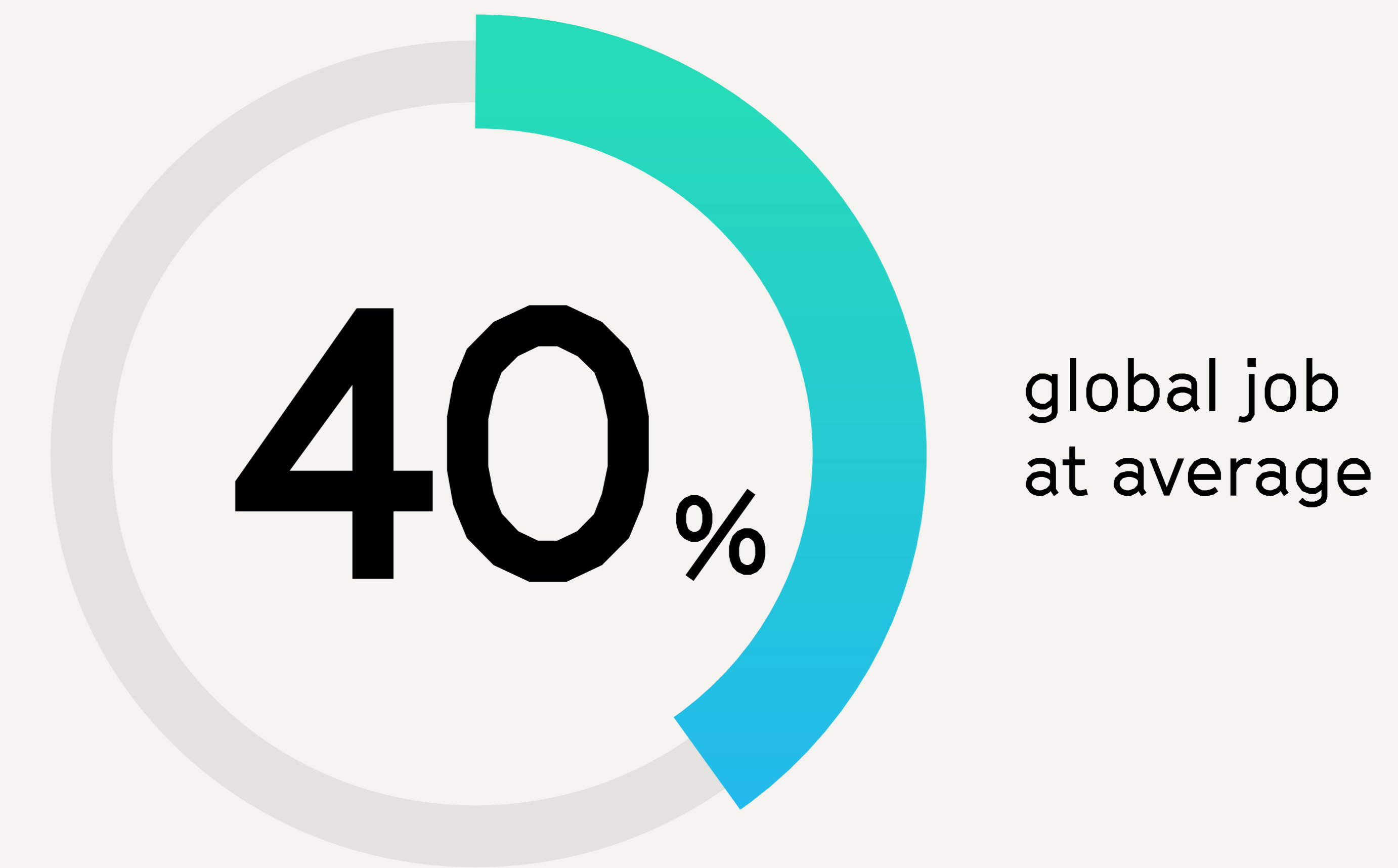
% of jobs in construction

# 80 millions

Underfinanced SME Globally

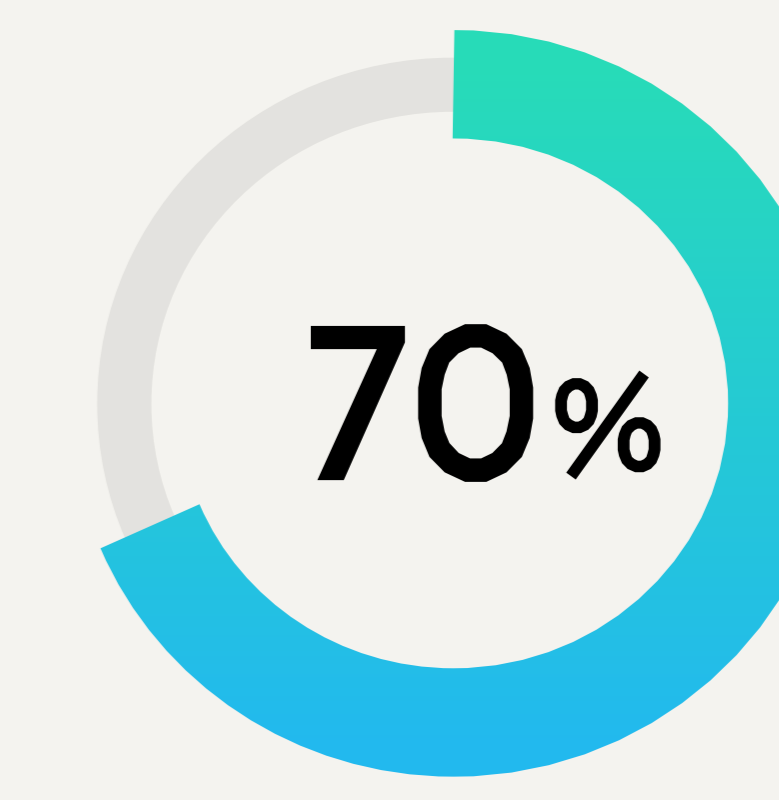
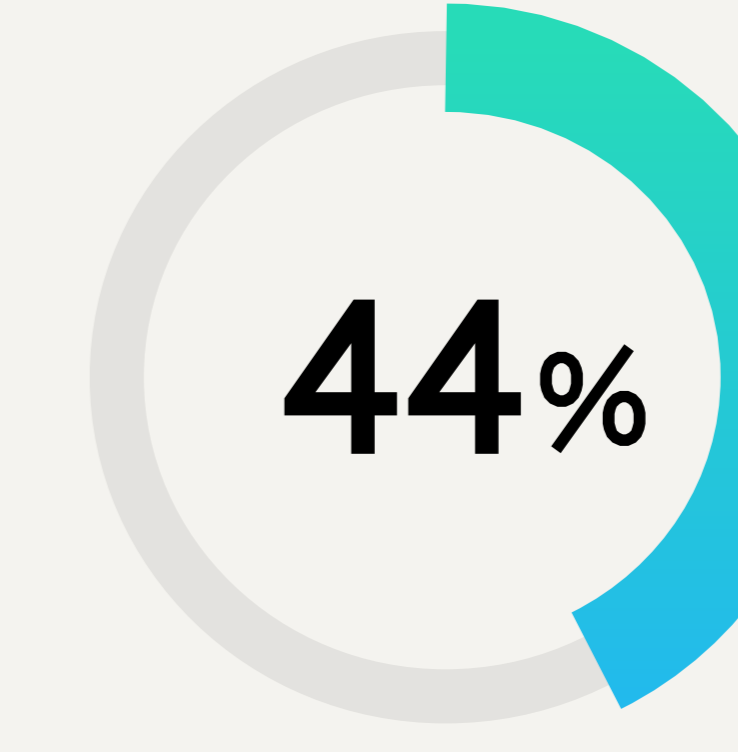
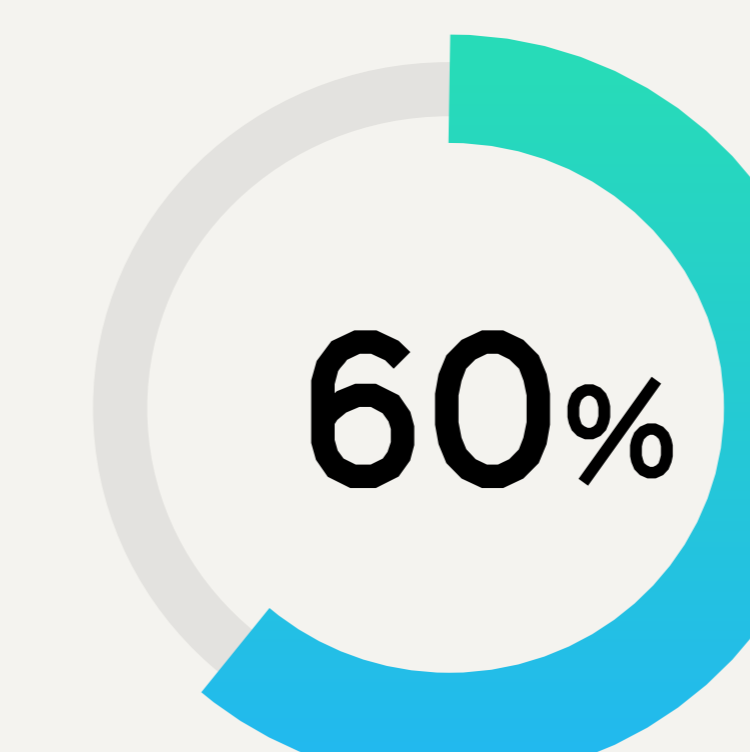
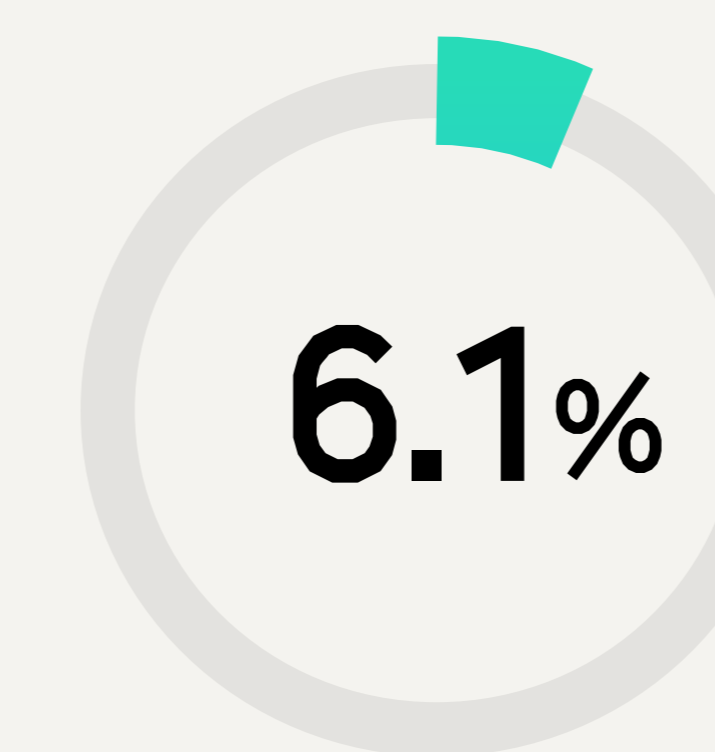
# SMEs are the backbone of the economy - World

**200+** millions  
SMEs worldwide



“200 million small businesses globally are unable to get the credit they need.”

Peer Stein  
Director, Finance and Markets Global Practice, World Bank Group

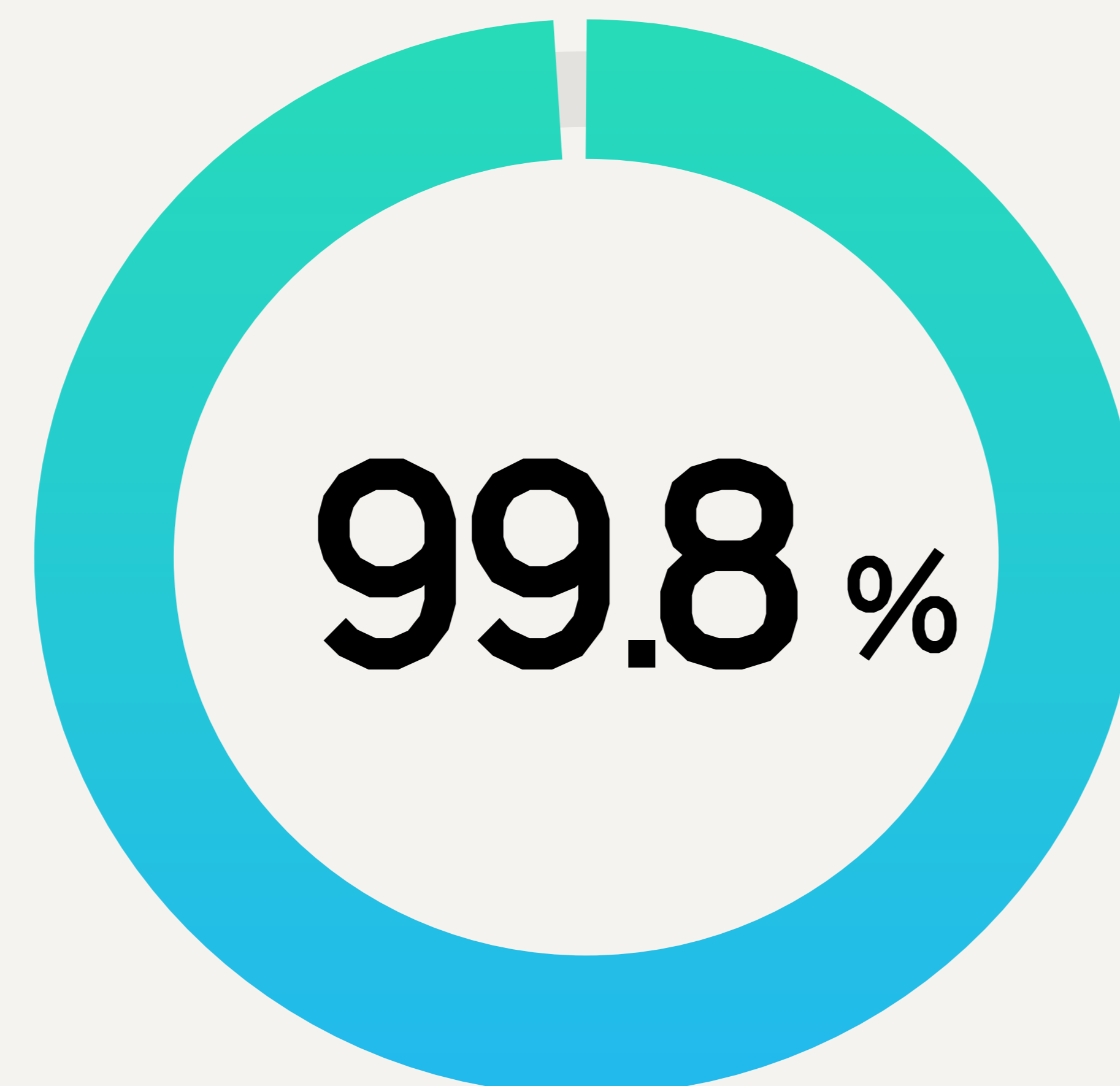


# SMEs are the backbone of the economy - EU

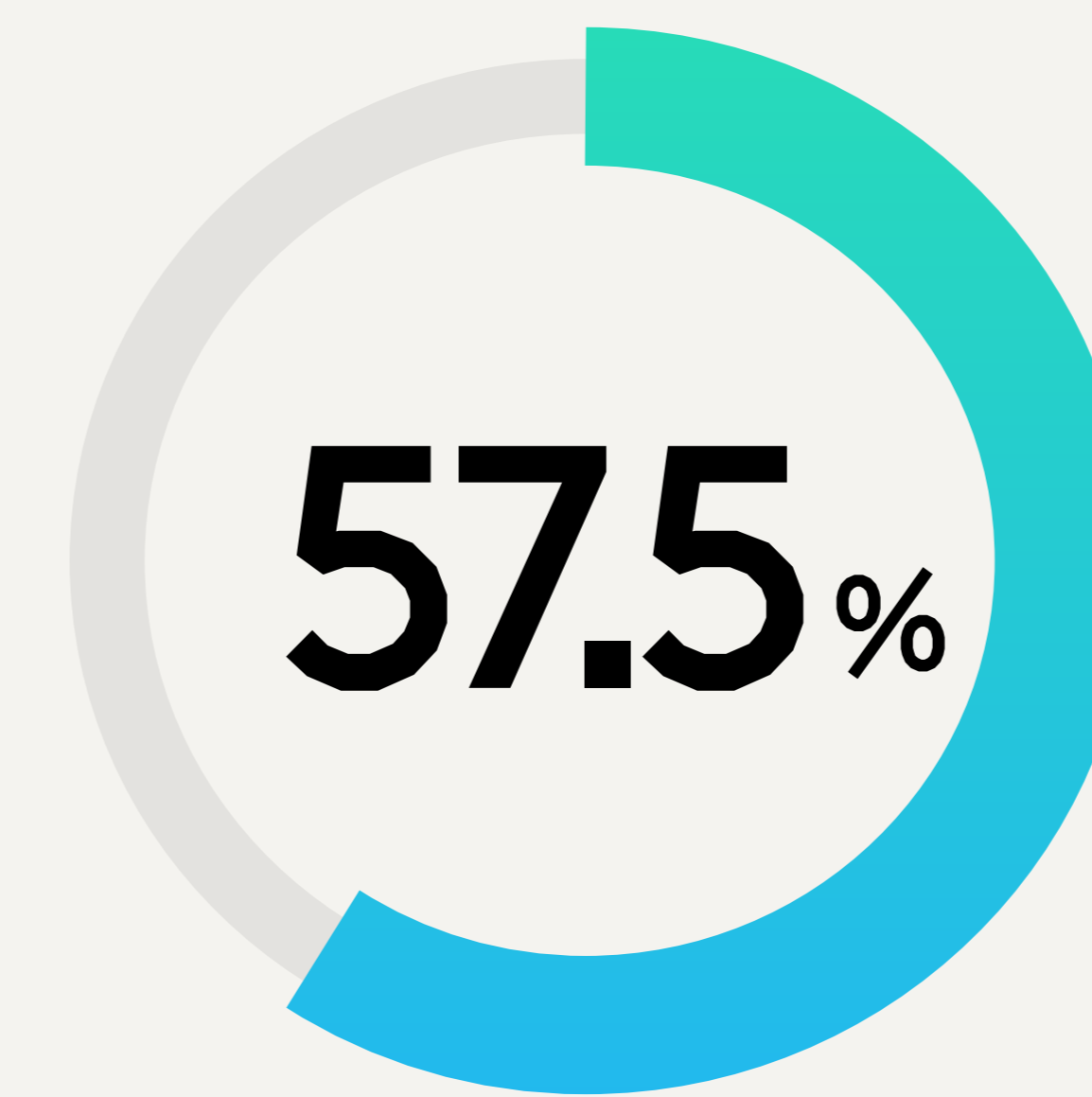
According to  eurostat 



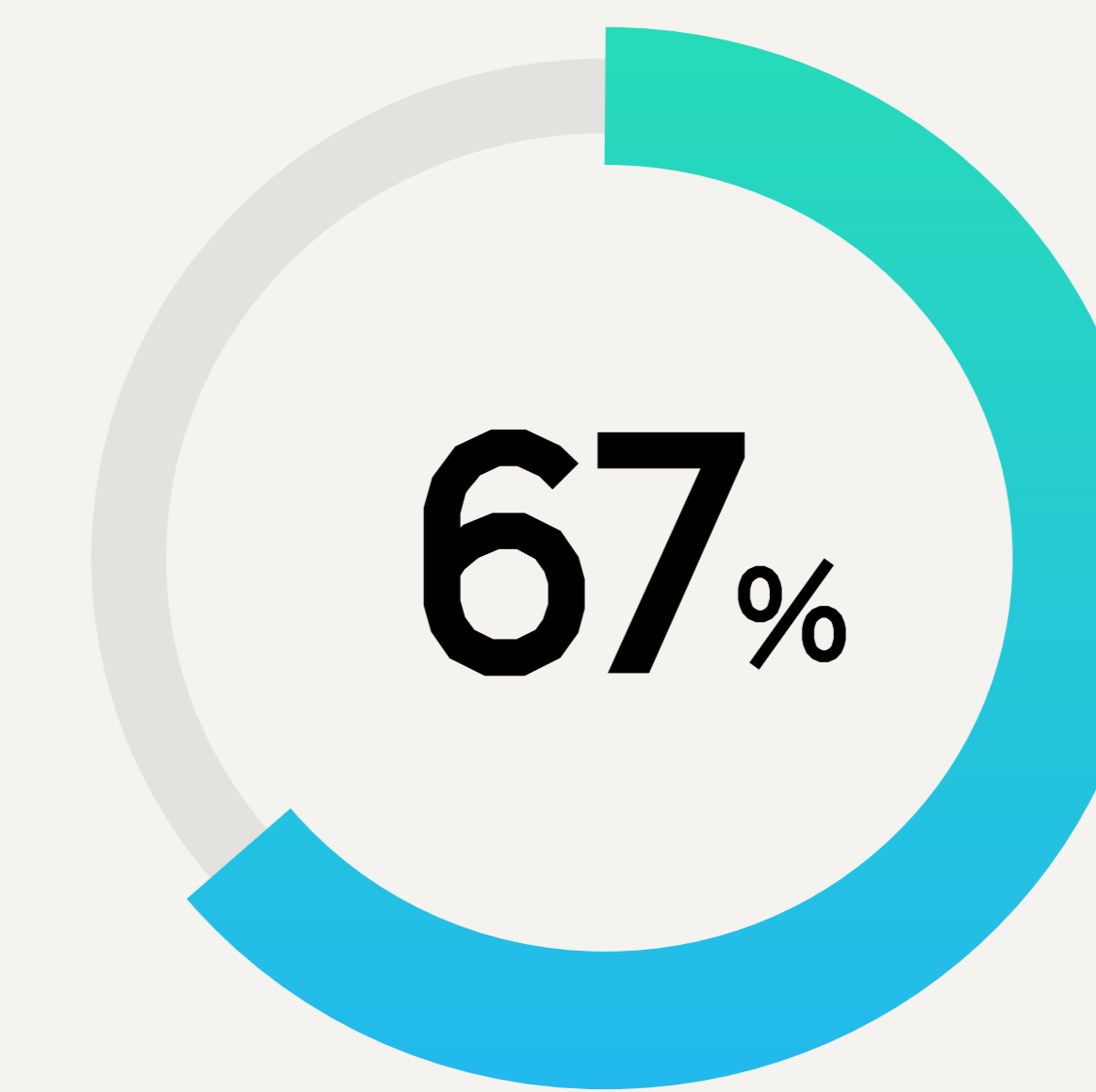
Registered  
companies in EU



SMEs



jobs in EU  
provided by SMEs



of european GVA  
contributed by SMEs



jobs in  
United Kingdom  
provided by SMEs



jobs in Greece  
provided by SMEs

# Problems confronted by SMEs

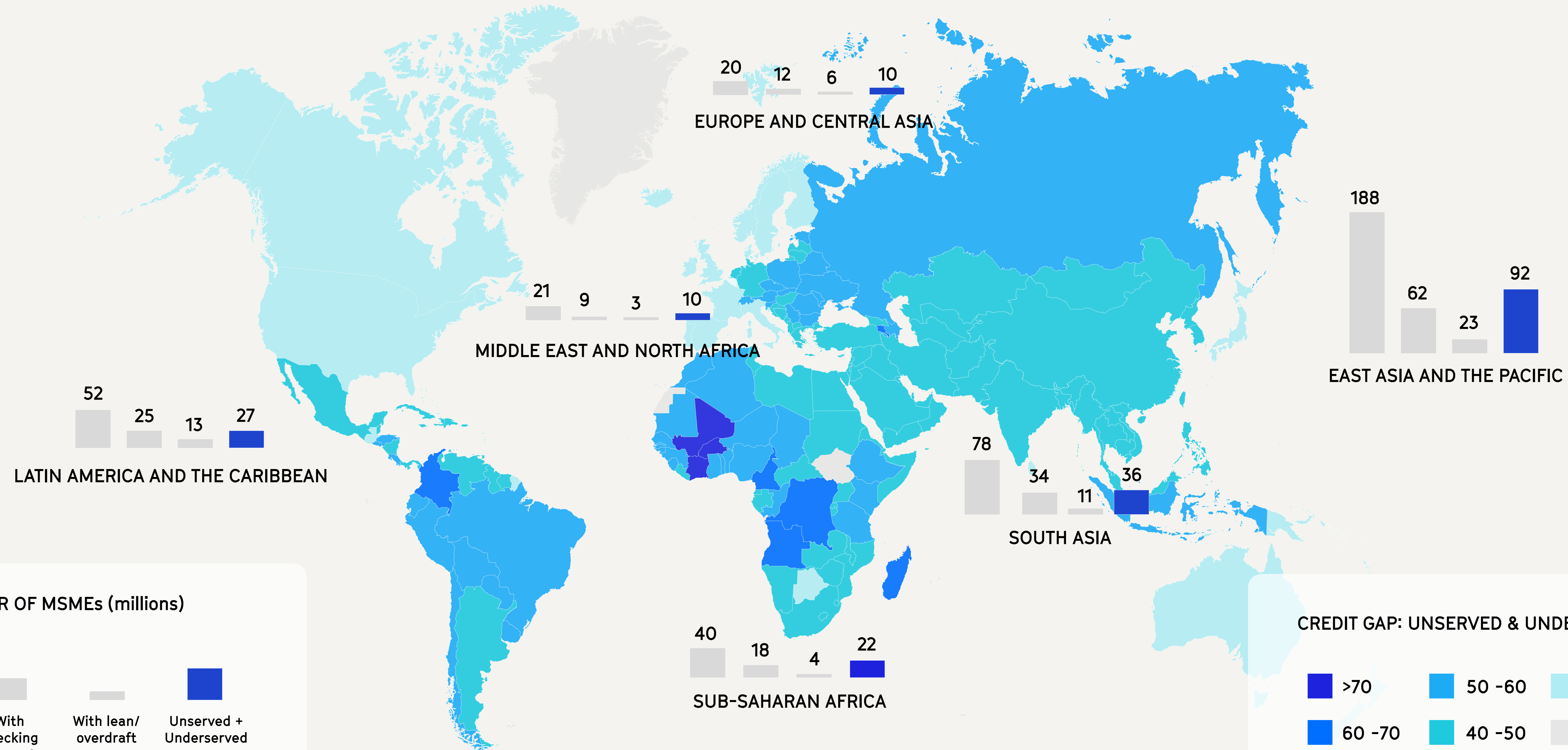
01. Regulatory burdens
02. Technological ignorance
03. **Underfinancing**

- Higher interest rates
- Long inefficient processes
- Bank bureaucracy
- Weak financial reporting



# Underfinancing

Total credit gap - formal and informal enterprises in \$ 2.1 - 2.6 trillion



# Fraud in Lending

And what about fraud in Fintech lending companies?

**FORTUNE**

## How LendingClub's Scandal Echoes the Financial Crisis

The former chairman and CEO of Morgan Stanley (MS, +0.04%) has been tangled up in issues at LendingClub (LC, -2.32%), the online lending company where he has sat on the board since 2012. The problem is starting to reek of the

**Forbes**

## Lending Club Scandal Provokes Major UK 'Peer-To-Peer' Investigation

Campaign for Fair Finance (CFF) founder Dr Roger Gewolb has welcomed the intervention of the UK Financial Conduct Authority's (FCA) new chief executive Andrew Bailey as an investigation gets underway into peer-to-peer (P2P) lending, a rel-

**FINANCIAL  
TIMES**

## One of China's biggest P2P lenders quits ahead of clampdown

One of China's biggest P2P lenders quits ahead of clampdown. Hongling Capital to wind up business ahead of tightening of rules for \$120bn industry. The circuitous relationship is complicated, but sounds something like this: Cirrix buys loans that

**BUSINESS  
INSIDER**

## Lending Club may have hit a dead end

Despite the aftermath of a governance scandal in early 2016, US alt lending giant Lending Club seemed to be on track for a slow but steady recovery at the end of the year. Its results for Q1 2017, published on Thursday, however, indicate its improve-

**NE  
CHANGE**

## P2P lenders react to China's \$7.6B Ponzi scandal

The biggest victims of the RMB50 billion (\$7.6 billion) Ponzi scam recently uncovered in China are, of course, the 900,000 investors who entrusted their money to peer-to-peer (P2P) lending platform Ezubao. But beyond that, many other P2P lenders

# Blockchain

Here comes Blockchain in Lending. Everything important stored in blocks forever with 24/7 accessibility.

- Company info
- Loans
- Statements
- Transactions
- Taxes

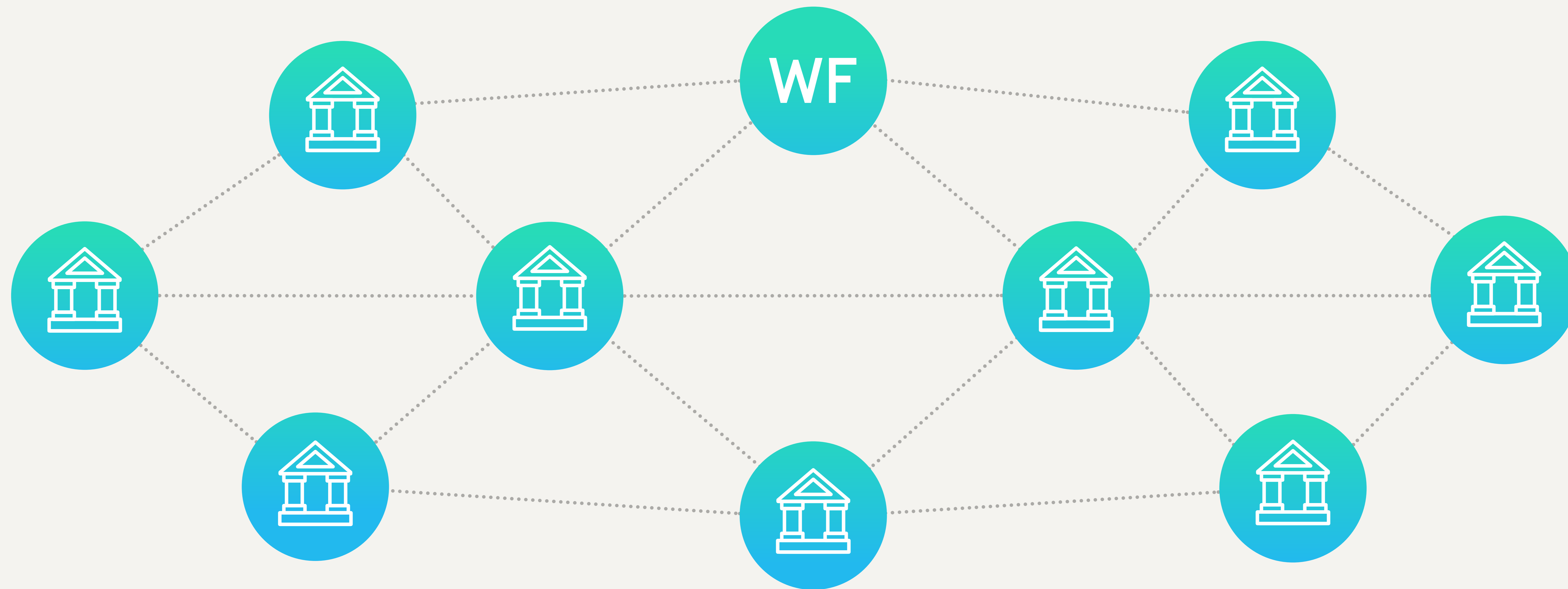
Protected and safe.





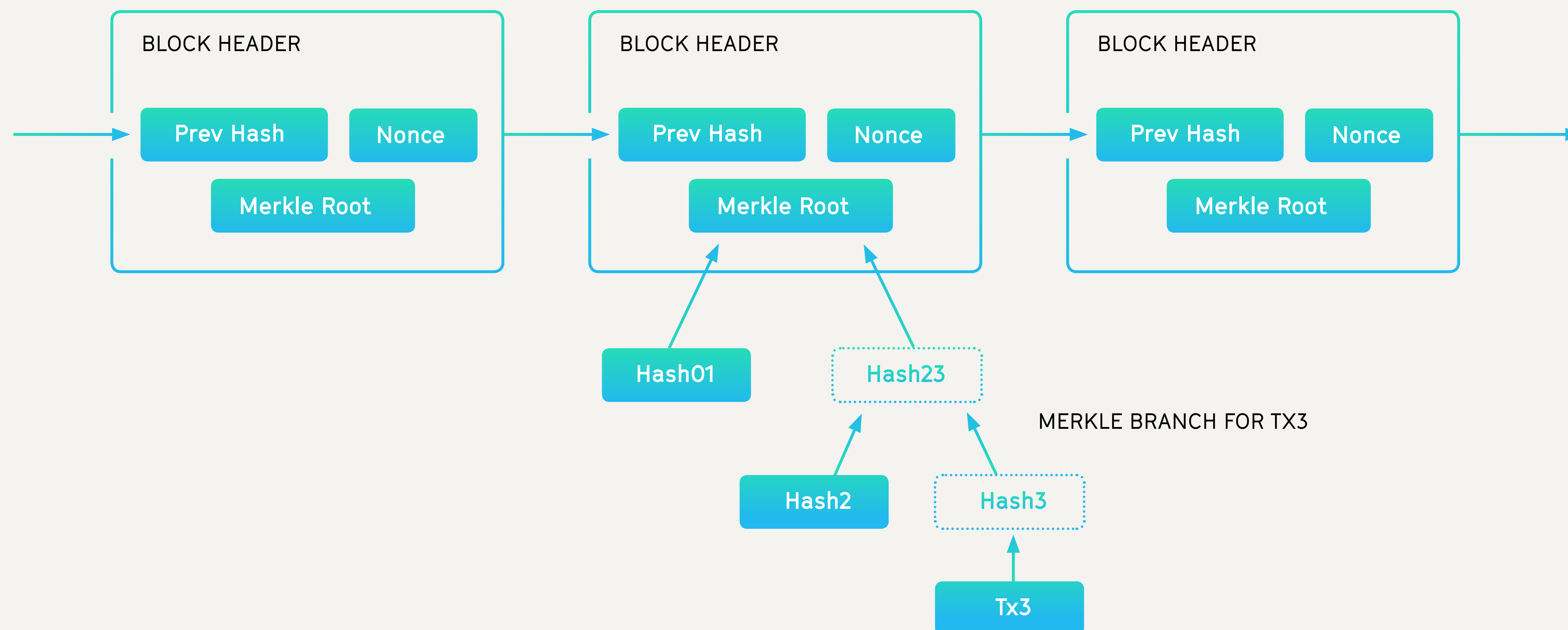
# Wish Finance Distributed Ledger

Evolving into Distributed Ledger we are granting each borrower - participant of the network - ability to guard data integrity and invariability



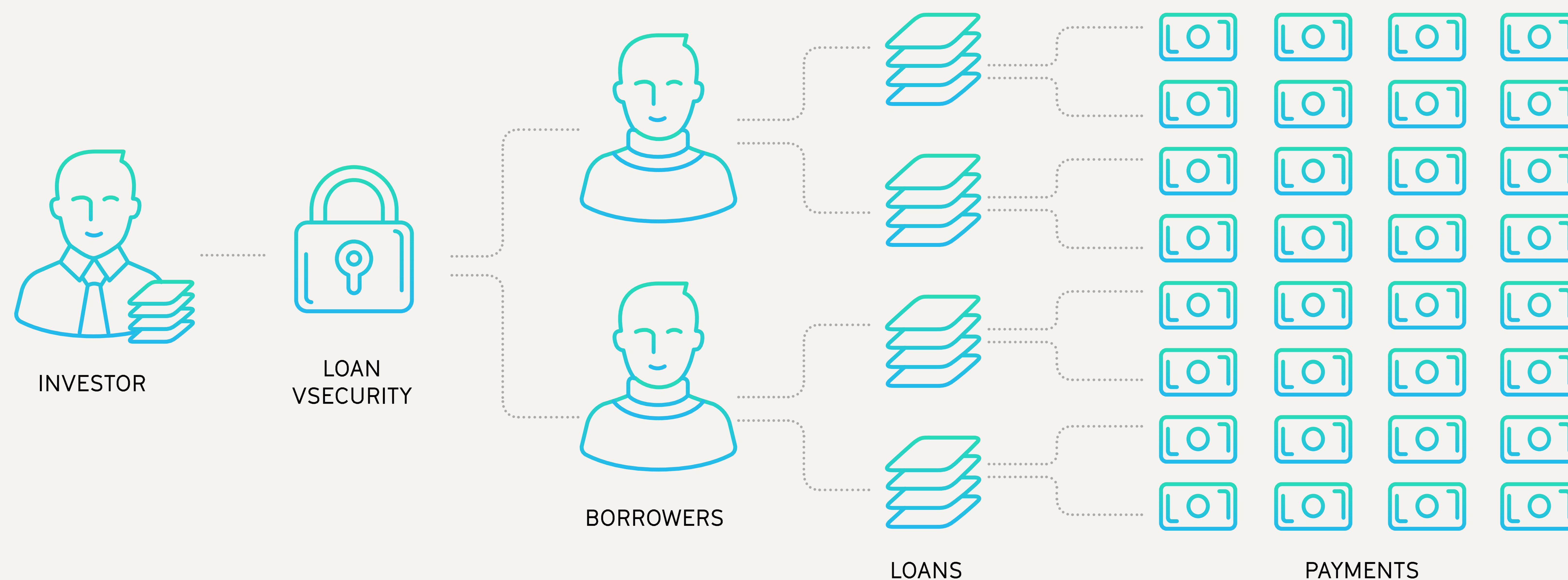
# Blockchain for Lending

We use Ethereum blockchain with smart contracts to fix relationships between Wish Finance as a lender and each borrower - separate contract for every loan issued. Whole history of transactions is stored forever



# Transparent loan securitisation

With that solution loan securitisation looks transparent for every investor down to the very last transaction and fee.



Does this sound familiar? Peer lenders are packaging loans and selling them to Wall Street



Milestone for European P2P securitisation

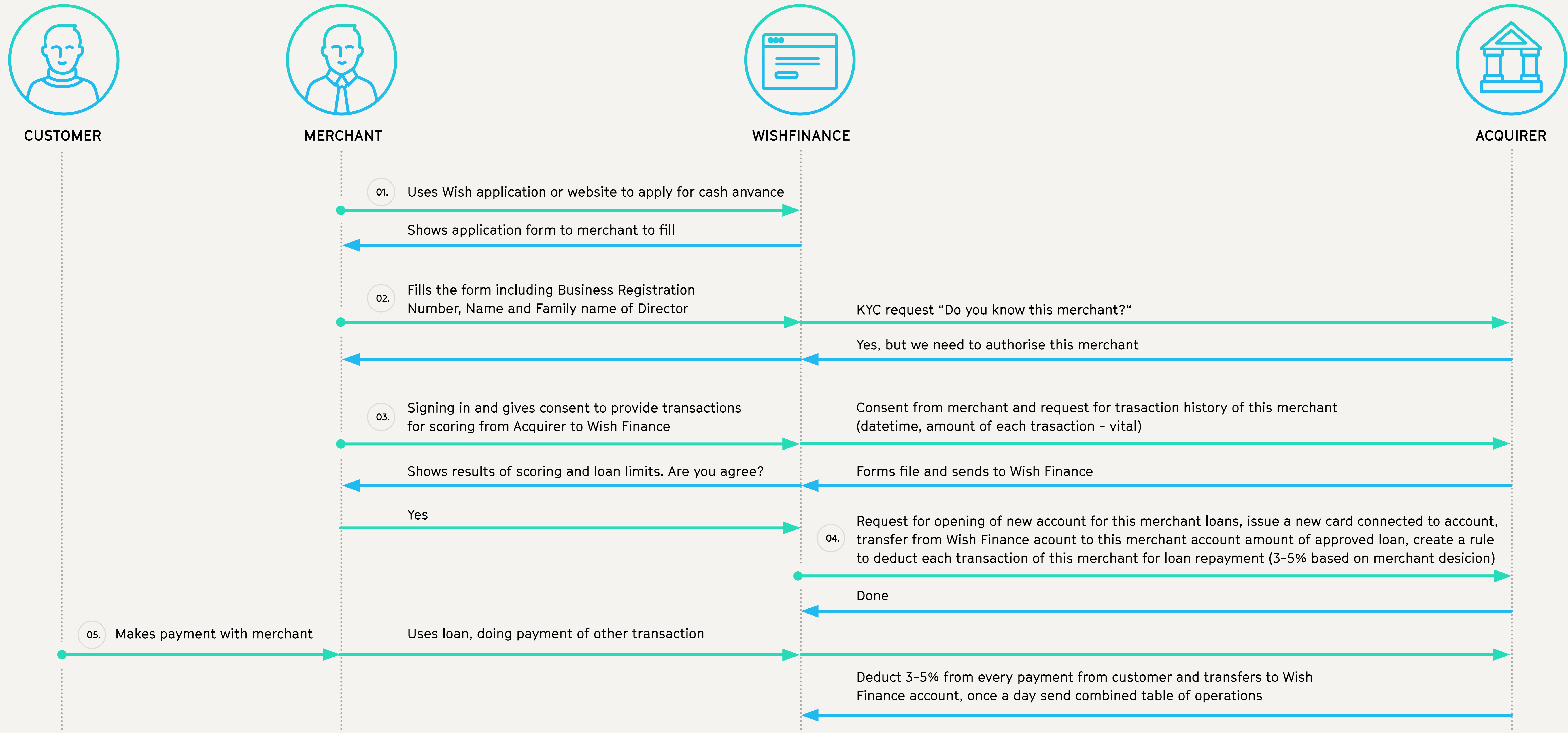
# Neural Network for Scoring

Scoring is a highly formalized process involving the analysis of unstructured data with dozens of variables. And incredibly boring, which leads to a high number of errors. So we made neural network to analyze data, build forecasts and monitor real-time loan performances.

- 85+ variables scoring machine
- 15 minutes as average scoring time
- 24 hours as average loan issuing
- Cloud based and easily scalable

# Real Transactions Data

Wish Finance Private APIs - channel to connect with POS data providers



# Proof of Business - Zero Defaults

Before going for ICO with viable product in hands team of Wish Finance organized and successfully completed pilot lending project in Singapore:



**1 000**

SMEs as focus group



**\$ 500 000**

Portfolio size



**103**

Borrowers



**112**

Loans issued

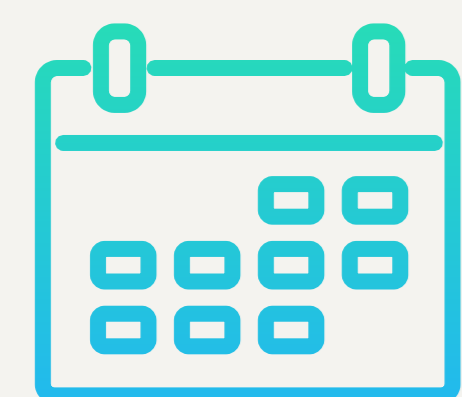


**24%**

p.a. average interest

**0**

Defaults



**Nov 2016-  
Feb 2017**

Issued



**Jan 2017-  
May 2017**

Repaid



**\$ 2 000-  
\$ 15 000**

Loan size



**2-6  
months**

Terms



**95 out  
of 112**

Repaid in time

**\$ 120 000**

Interest income