BASIC SERVICES DECK

Predictive Analytics Group®

Agenda
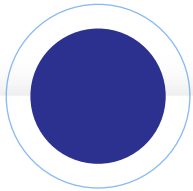
- Who is PAG?
- Industries Covered
- Services Provided
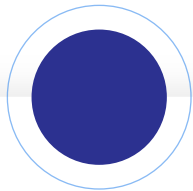- Our Team
- Closing Summary

Who is **Predictive Analytics Group?**

Predictive Analytics Group (PAG) is a full-service management consultancy that specializes in analytics, strategy design, compliance, and data management. Our advantage is our people, who average over 20 years of client-side management experience prior to joining PAG.
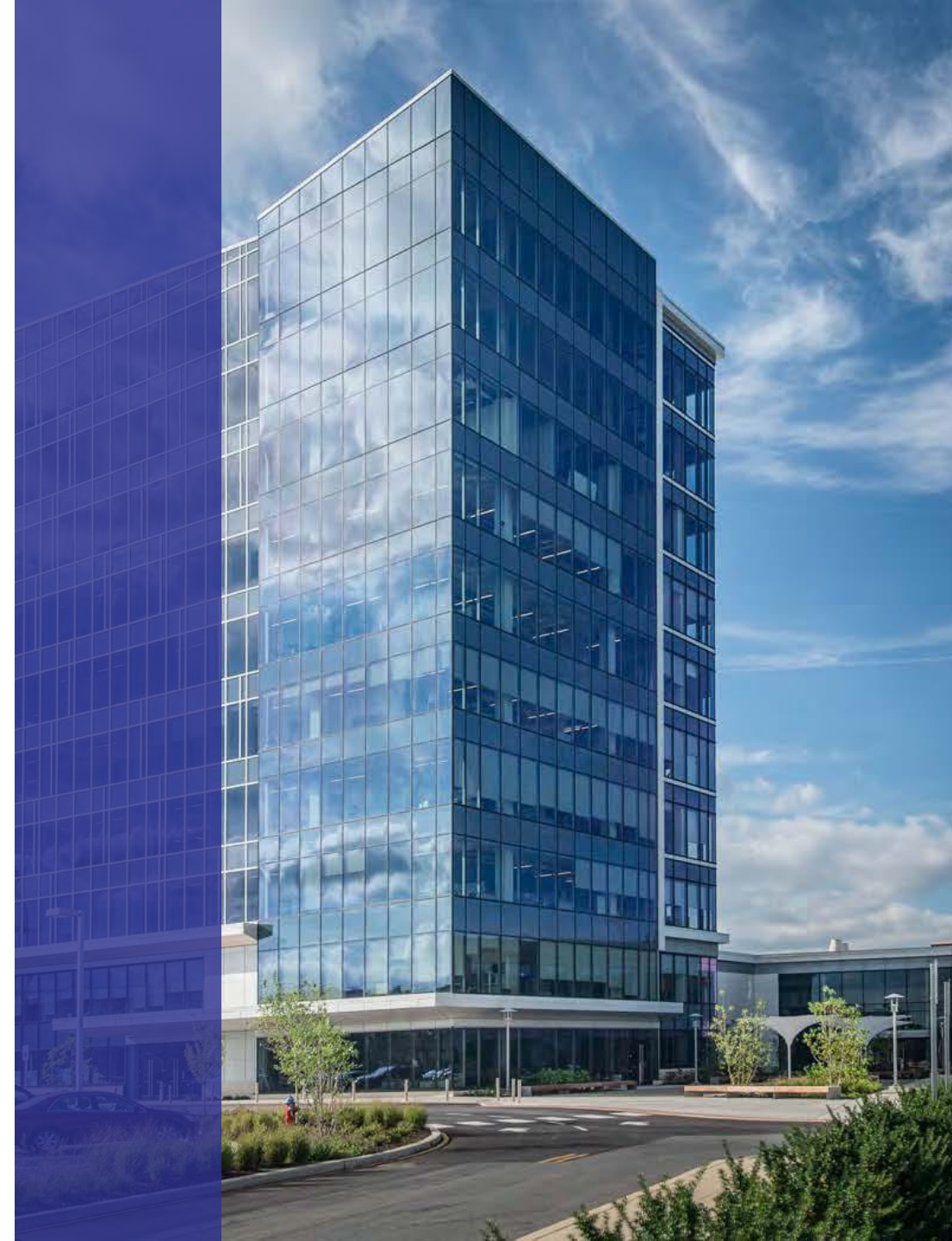
Industry Leading Approach

Superior risk results through industry leading data scientists & our proprietary data platform, *GOBLIN*.

Client-Driven Methodology

We strive to build partnerships, not projects, as seen in our *76% recidivism rate.*

Industries Covered

Banking

Sports

Healthcare

Fintech

Credit Unions

Gaming

Services Provided

Compliance
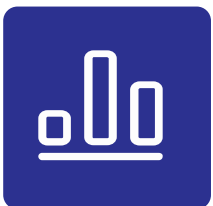Full CMS and 3 LOD Support along with Audit Prep

Underwriting
Scorecards, Models, Strategies and Execution

Data Management
Consolidation, Storage, Streamlining, File Creation

Portfolio Purchase
Financial Evaluation, Forecasting, Modeling

Collections
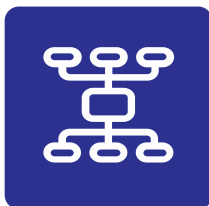Operational Efficiency and Risk Strategy

Fraud
Models, Rule Sets, Strategies, Monitoring

Consulting
Staff Augmentation, Assessment Exercises

Reporting/Dashboarding
Report Creation, Dashboard Monitoring
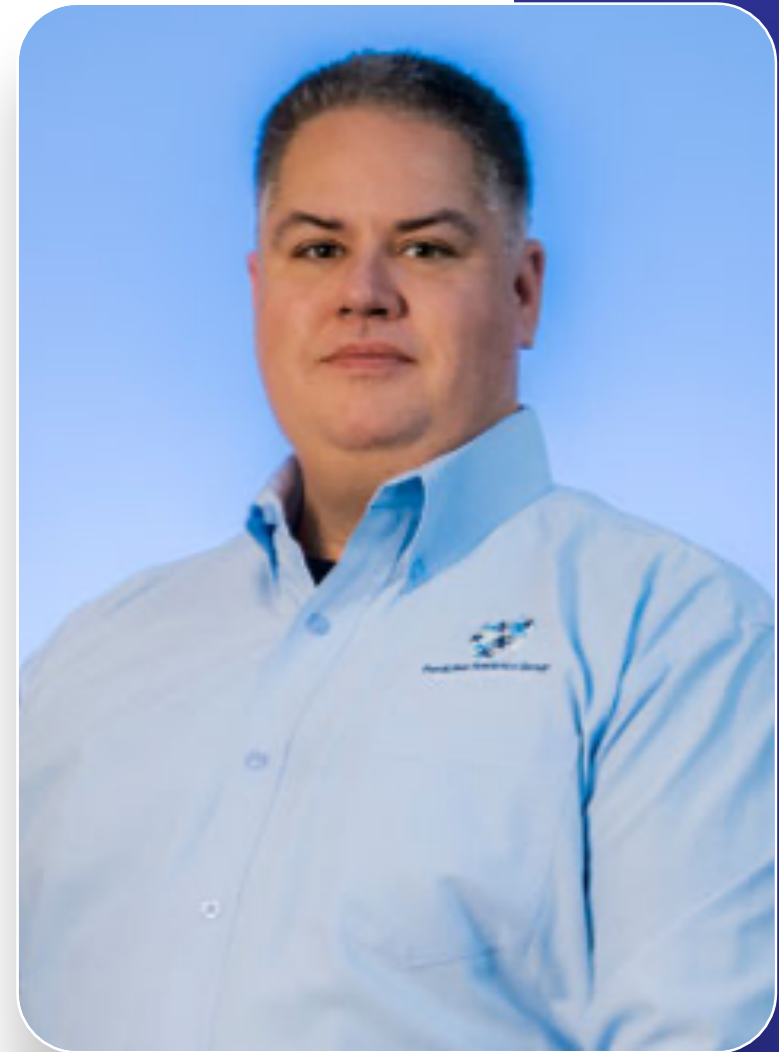
About the **CEO**

Stephen Hoops
Chief Executive Officer

With 30+ years of experience within the financial services industry, Stephen has previously served as a Chief Risk Officer for Barclaycard US Partnerships, a Global Scoring Head at Citibank, and a Site President for Wells Fargo Financial. Steve is a co-founder of Predictive Analytics Group and has owned & operated Hoops Consulting, LLC for the past decade.
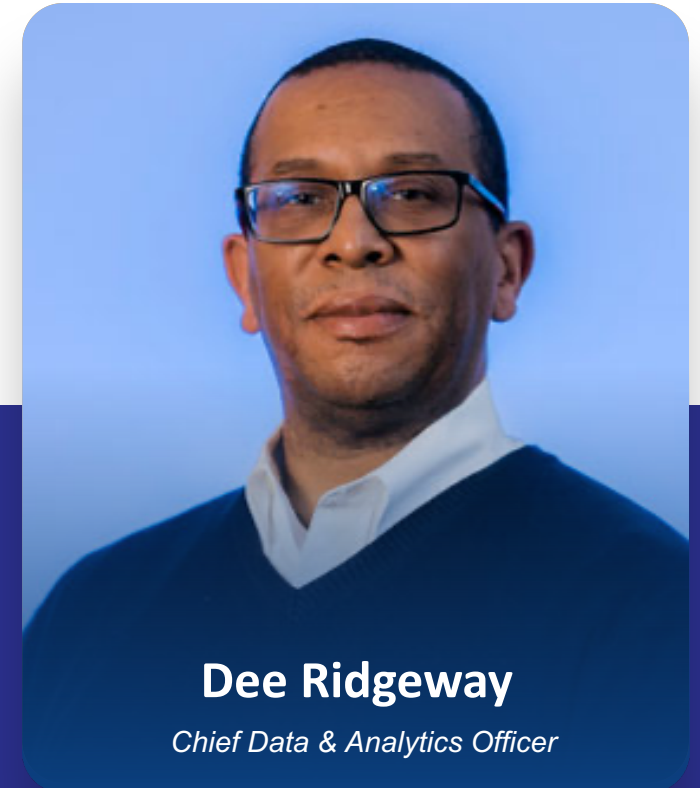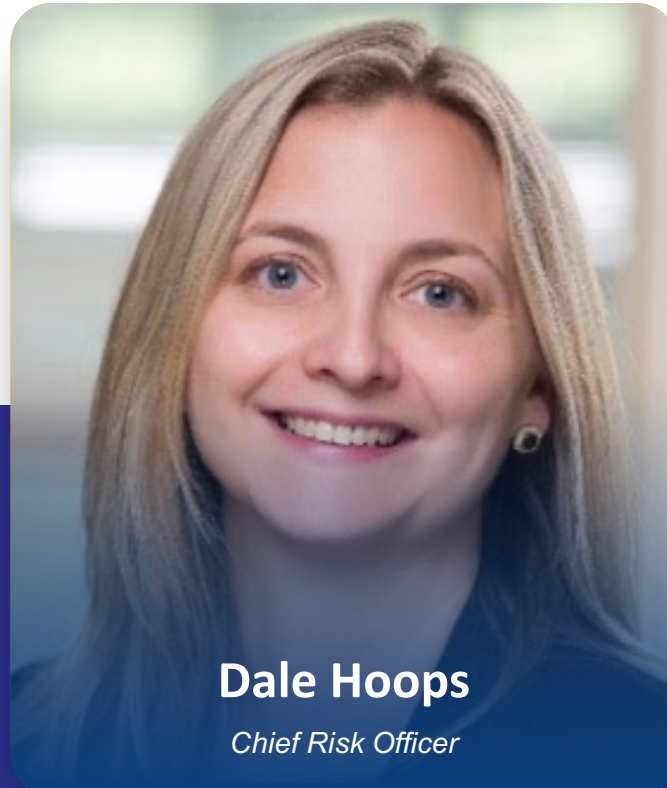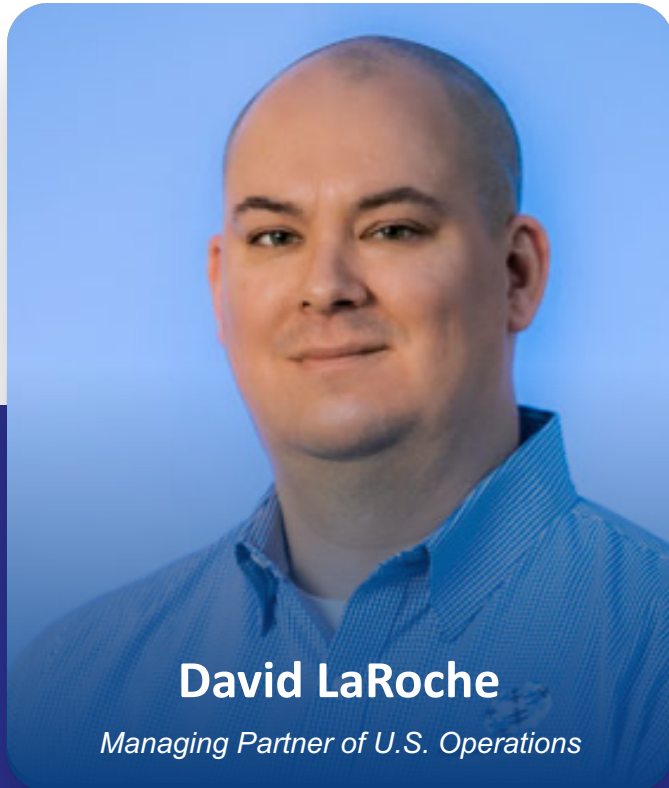
Steve started his financial services career in 1993 as a part-time telemarketer while attending the University of Delaware for his Business Administration degree. Mr. Hoops has spent his 30+ years within the industry building best-in-class operations with each company he has supported. His career has been highlighted by leading several large functions for several Tier 1 and Tier 2International Banks, including:

- Credit Policy (CRO for $20B co-branded portfolio, Barclaycard US partnership)
- Credit Policy (SVP for $28B retail Co-brand & Private Label portfolio, Citibank)
- Loss Forecasting / Loan Loss Reserves ($30B Consumer portfolio, Citi-Financial)
- Collections Risk Management ($70B Co-brand & Private label portfolios, Citibank)
- Modeling ($30B Consumer Loan & sub-prime Mortgage portfolio, Citi-Financial)
- Collection Operations (Head of 410-person operations center, $17B Auto, Personal Loan & Mortgage portfolio, Wells Fargo)
- Credit Analytics (MBNA/Bank of America, Wells Fargo, Citibank)

Our Leadership Team

Serving our community with a combined 100+ years of financial services experience in a variety of different industries

David LaRoche

Managing Partner of U.S. Operations

Dale Hoops

Chief Risk Officer

Dee Ridgeway

Chief Data & Analytics Officer

How **PAG** Helps Clients Succeed

PARTNER

- PAG works with you to define your goals, needs and risks
- We meet with all Key Stakeholders to ensure you have support for any project
- We conform to any vendor requirements your organization may have

ANALYZE

- We will go to work immediately to achieve your stated objectives
- Our experienced staff needs only target time with your SMEs to gather information
- Our best-in-class tools and technology make final deliverables cutting edge

COLLABORATE

- We have regular touchpoints with our clients as projects progress
- We share results to ensure your satisfaction with final products
- We can pivot to new scopes with minimal disruption as your business needs change

EXECUTE

- When the initial results are reviewed, we don't stop there…
- Our hands on staff will work with your team members to ensure proper install of any final products
- We triage any live results to ensure your project in working as designed

Questions?

GET IN TOUCH

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How **PAG** Helps Clients

Customer Testimonial: Underwriting

Predictive Analytics Group has been a valuable partner to MedPay and Healthy Habits from the beginning. In fact, our engagement with PAG began long before we launched healthcare…

Justin B. Perun, Founder/CEO of MedPay & Healthy Habits

- PAG built an Underwriting Model to the Client's profit margins
- The Model was implemented with zero defects
- PAG provided the Credit Policy and BRD to support the Model
- Early delinquency reads came in below targeted thresholds

01 **Strategy Development & Deployment**

PAG designs Underwriting model to help Client prudently offer loan terms to customers

02 **Experience in Different Credit Products**

PAG is able to build models for credit card, unsecured loans, LOCs, and secured products

03 **Documentation**

PAG documents all models to meet full regulatory requirements in a Client's desired format or in our own custom template

04 **Testing/Monitoring**

PAG will build the BRD for the Client's Decision Engine and perform pre and post UAT to ensure the strategy is working as designed

Case Study: Underwriting

A regional fintech lending to mid-to-high risk consumers in 24 states recently asked us to help **update its 2-year-old strategy** for line assignments, risk-based pricing, and decisioning and expand beyond its use of generic data sources that were not performing to management expectations.

We connected the client to four data providers to obtain retro data on two quarters of approved and declined applications. Data scientists from Predictive Analytics Group (PAG) then created a reject-inference model to project the performance of declined applications, enabling both swap-in and swap-out capabilities of the new strategy. We then used true performance on the approved accounts and reject inferencing on the declined applications to create a new underwriting approach.

After identifying and implementing key areas of automation for the company with 3 new data sources for both credit and fraud-risk targeting, the client saw:

- **28% decrease** in Lifetime Loss Rates;
- **7% increase** in Approval Rate
- **5% reduction** in manual referral rate within 18 months

What is **GOBLIN**?

PAG's proprietary data warehousing system, GOBLIN, creates a central location for internal and external data sources to be ingested and normalized accelerating your Business Intelligence, delivering results faster than ever before.

Once we have transformed data, our clients can access our interactive Data Virtualization & Visualization layer, providing rapid intelligence and reporting capabilities.

Key Features:

File Share
- Ingest vendor files and data
- Produce and automate outgoing data feeds

Data Warehouse
- Store & cleanse your data
- SOC2 and PCI Certified
- Unlimited access to your data
- Prebuilt software licenses, including Azure, Tableau, etc.

Business Intelligence Tool
- Secured access to query data
- Streamlined (automated) report creation
- Data virtualization and visualization layer for rapid intelligence and reporting

Client Benefits:

Saving Time & Money
- Preconfigured team of data architects, DBAs, BAs, and Risk Managers
- Reducing operating cost by combing components into one platform

Business Acceleration
- 20 years of accelerators across file sharing data transformation, and proprietary BI solutions
- Skip wasted cycles of learning and building

Clients who use GOBLIN for their internal Data and Risk Management Needs save on average **_30%_** over their internal costs to purchase hardware, software and staff subject matter experts

Compliance

Audit Preparation

- ✓ Preemptive Testing
- ✓ Data Analysis
- ✓ File Testing
- ✓ Staff Interviews

CMS and 3 LOD Work

- ✓ CMS Design
- ✓ 3 LOD Testing
- ✓ Investigative Analysis
- ✓ Procedural Work/Testing

Risk Assessments

- ✓ Scored Capture of Current State
- ✓ Prioritization of Findings
- ✓ Comprehensive Enhancement Plans

Quality Control

- ✓ Process Testing
- ✓ Call Monitoring
- ✓ Control Report Design
- ✓ Robotic Process Automation

100%

Audit Pass Rate

A PAG client has NEVER had an audit finding in an area we engaged in

2023

27 Successful Projects

8 Audit Prep projects, 11 Risk Assessments, and various other exercises

✓ 100% Client Satisfaction

✓ 85% Reengagement Rate

Collections

Operational Efficiency

- ✓ Staffing Forecasts
- ✓ Call Center Excellence
- ✓ Optimal Routing
- ✓ Call Models/Training

Digital Transformation

- ✓ Current State Assessments
- ✓ Technology Roadmaps
- ✓ Target Operating Models
- ✓ Implementation Support

Treatment Models

- ✓ Risk Segmentation Strategies
- ✓ Contact Optimization
- ✓ Hardship Program Targeting
- ✓ Best Time to Call Modeling

Vendor Optimization

- ✓ Business Requirements Capture
- ✓ Vendor Scorecard and RFPs
- ✓ Vendor Selection
- ✓ Placement Models

17%, 15%

Efficiency/Loss Gains

PAG Clients improve efficiency by 17% and/or reduce losses by 15%

2023

14 Successful Projects

4 Call Center Efficiency reviews, 5 Digital Transformation projects and various other exercises

✓ 100% Client Satisfaction

✓ 79% Reengagement Rate

Underwriting

Credit Strategy

✓ Risk Segmentation
✓ Credit Sandbox Criteria
✓ Decision Engine Programming
✓ Credit Policy Documentation

Underwriting Scorecards

✓ Multi Segment Scorecards
✓ Decision Engine Programming
✓ Model Documentation
✓ Model Validation/Audits

Financial Modeling

✓ Defining Product Value
✓ Growth Forecasting
✓ Credit Loss Forecasting
✓ Full P&L Development

Automation

✓ Auto Approve/Decline
✓ Auto Decisioning Models
✓ CLI/Line Decrease Automation
✓ Exception Review Queuing

18%

Growth Targets

PAG Clients are able to grow ~18% using our models with no increase in losses

2023

19 Successful Projects

7 Underwriting Models completed, 5 Scorecards built and various other exercises

✓ 100% Client Satisfaction

✓ 77% Reengagement Rate
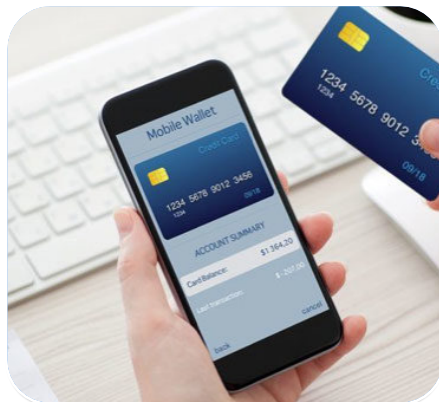
Fraud

Acquisition

- ✓ Risk Segmentation
- ✓ Scorecards
- ✓ Queuing Strategies
- ✓ Operational Evaluation

Transactional

- ✓ Rule Sets
- ✓ Scorecards
- ✓ Queuing Strategies
- ✓ Operational Evaluation

Fraud Modeling

- ✓ Machine Learning Models
- ✓ Customer Treatment
- ✓ Escalation Triggering
- ✓ Recommended Action Models

Vendor Selection

- ✓ Business Requirements Capture
- ✓ Vendor Scorecard and RFPs
- ✓ Vendor Selection
- ✓ Implementation Analysis

97%

Reducing Fraud Losses

PAG Clients reduce Fraud Losses by 97% utilizing our support with no increase in stoppages

2023

14 Successful Projects

6 Acquisition Reviews, 4 Transaction Model builds, completed and various other exercises

- ✓ 100% Client Satisfaction

- ✓ 75% Reengagement Rate

Data Management

GOBLIN EDP

- ✓ Risk Segmentation
- ✓ Scorecards
- ✓ Queuing Strategies
- ✓ Operational Evaluation

File Share

- ✓ Ingest Vendor Files and Data
- ✓ Produce and Automate Outgoing Data Feeds
- ✓ Multilayered Access by Email

Data Warehouse

- ✓ Store & Cleanse Your Data
- ✓ SOC2 and PCI Certified
- ✓ Prebuilt Software Licenses, including Azure, Tableau, etc

Business Intelligence

- ✓ Secured Access to Query Data
- ✓ Automated Report Creation
- ✓ Data Virtualization and Vsualization Layer

30%

Infrastructure Savings

PAG Clients on GOBLIN save 30% on internal investiture and staffing costs

2023

10 Successful Launches

10 different clients migrated various data functions to GOBLIN in 2023

✓ 100% Client Satisfaction

✓ 80% of GOBLIN Clients on Multiyear Contracts

Consulting

Assessments

- ✓ Risk Assessments
- ✓ Problem Investigation
- ✓ Enhancement Planning
- ✓ Remediation Support

Staff Augmentation

- ✓ Standin Risk Mgmt.
- ✓ Compliance Augmentation
- ✓ Staffing Models
- ✓ Leadership Education

Target Model Designs

- ✓ Defining Future State
- ✓ Business Requirements Capture
- ✓ Vendor Scorecard and RFPs
- ✓ Vendor Selection

Business Transformation

- ✓ Change Management
- ✓ Technology Selection
- ✓ Financial Modeling
- ✓ Implementation Support

90%

Change Deadlines

Clients who use PAG to help their

transformation projects hit their deadlines

90% of the time

2023

16 Successful Projects

6 Business Transformation, 5 Standin Risk projects

and various other exercises

✓ 100% Client Satisfaction

✓ 82% Reengagement Rate

Portfolio Purchase

Financial Evaluation

- ✓ Portfolio Due Diligence
- ✓ Credit, Growth Evaluation
- ✓ Risk Assessments
- ✓ Infrastructure Analysis

Forecasting

- ✓ Growth Forecasting
- ✓ Credit Loss Evaluation
- ✓ Market Analysis
- ✓ Balance Runoff Forecasting

Modeling

- ✓ New Credit Models
- ✓ Refined Loss Modeling
- ✓ Marketing Models
- ✓ Full P&L Construction

Operational Support

- ✓ Receivables Management
- ✓ Call Center Efficiency
- ✓ Compliance Adherence
- ✓ Staffing Analysis

86%

Profit Targeting

Clients who use PAG to evaluate portfolio profitability hit targets 86% of the time
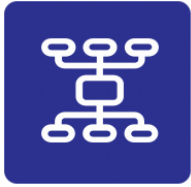
2023

18 Successful Projects

7 Portfolio Due Diligence exams, and 6 Forecasting Models and various other exercises

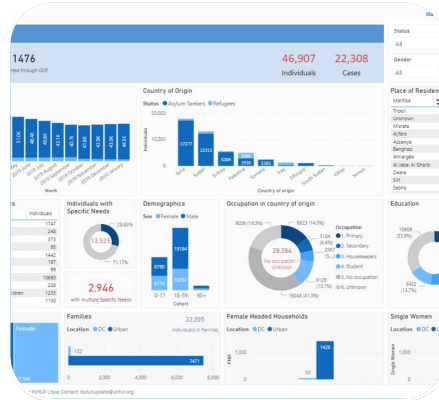✓ 100% Client Satisfaction

✓ 77% Reengagement Rate

Reporting/Dashboarding

Reporting Suites

- ✓ Define Needed Reports
- ✓ Build Data Visualization
- ✓ Automate Distribution/Access
- ✓ Monitor Trends and Accuracy

Dashboard Creation

- ✓ Define Optics and Threshold Definitions
- ✓ Create Monitoring Notices
- ✓ Automate Access

Control Monitoring

- ✓ Defined Controls Reporting based on Limit Setting
- ✓ Automation of Delivery
- ✓ Notification on Needed Actions

Business Updates

- ✓ Business Evaluation/Status Presentations
- ✓ Recommended Action Decisioning

25-40%

Cost Savings

PAG Clients on GOBLIN who use us for their reporting needs save 25-40% on infrastructure and staffing costs

2023

21 Successful Projects

8 Reporting Suite designs, and 6 Dashboard creations and various other exercises

- ✓ 100% Client Satisfaction
- ✓ 80% Reengagement Rate