Introducing Validus Vietnam

APEC Conference on Supply Chain Finance
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Southeast Asia’s leading Marketplace Financing Platform for SMEs

LICENSED/REGISTERED

Singapore’s MAS & Indonesia’s OJK

BACKED BY

AAA-rated FMO, Temasek Holdings’ Vertex Ventures, & VinaCapital Ventures
Validus has proven experience in bridging the cashflow gap SMEs face
Healthy key metrics in Singapore stand testament to our robust business model and strong team, and we have built an equally strong business in Vietnam

TOTAL FUNDS DISBURSED

$300+m

ANNUAL SME REVENUE GROWTH

20%

48 hours

Average turnaround time

7000+

Total no. of facilities disbursed

$20+ million

Monthly disbursement

$50k

Average loan size

90%

Repeat borrowers

Information displayed is calculated based on internal analytics & reflective of Singapore data alone. 1 In SGD, as of October 2019. 2 Based on portfolio of SMEs in 2019 across Singapore and Indonesia.
VALIDUS’ 2018 ECONOMIC IMPACT SINGAPORE

Revenue Growth of SMEs

17%

Contribution to Singapore’s GDP

$403 million

Jobs Supported

10,000+

With 20% growth to revenue for SMEs linked to the marine industry

Validus-linked vs. average SME-supported GDP growth

18% ↑ vs. 8% ↑

Validus-linked vs. average SME-supported employment growth

12% ↑ vs. 1% ↑

Driving Vietnam’s initiative to achieve 1 million enterprises by 2020
Vietnam in particular has a strong need for solutions to bridge the gap in SME financing

- **98%** of SMEs in Vietnam (out of 600,000 enterprises)
- **50%** of employment comes from SMEs
- **48%** of SME Contribution to GDP (USD 108 billion)
- **66%** of SMEs anticipate revenue growth over 2019, with 33% expecting revenue to double¹
- **98%** of bank loans require collateral
- **76%** of SMEs desiring unsecured loans, with a USD 33 billion financing gap to SMEs

¹ UOB ASEAN SME Transformation Study
We consistently strengthen our credit algorithm and use a data-centric approach driven by partnerships and alternative data sources to address the SME financing gap.

**Traditional data sources:**
- Financial statements
- Credit ratings
- Field visits and background checks
- Tax returns

**SME data sources:**
- Procurement portal
- Payment portal
- Utility and telco payments
- Customer reviews
- Partner sales data

**Individual data sources:**
- Mobile data
- Digital fingerprint
- Utility payment
- Consumer’s use and loan repayment
- Social Network

**Risk algorithm**

**Ability to Pay**
- Financials Module
- Credit Bureau Score

**Willingness to Pay**
- Bank Statement Module
- Industry Module
- Financials Module

**Cash Flow**
- Bank Statement Module
- Industry Module
- Financials Module

**Macro Risk**
- Bank Statement Module
- Industry Module
- Financials Module

**V1:** Elementary risk assessment
**V2:** New modules on cash flow and industry
**V3:** Enhanced features across all modules

**KYC inputs collected** *(see Appendix for additional details):*
- CMND/Passport
- Contact Number
- Occupation and Job Title
- Proof of Address
- Copy of latest CIC
- Business registration & Charter

**Fraud Detection Layer**
- Integrity of scanned documents
- Consistency of Financial Ratios
- Benford’s Law (Distribution of Digits)

**Intelligence Layer**
- Bank Statement Module
- Industry Module
- Financials Module
- CBS Module
Unlock value for the supply chain

ABOUT CVF

Corporate Partner (Buyer)

Corporate Vendor Financing Program (CVF)

SME Vendor (Supplier)
How CVF Benefits SMEs and Corporate Partners

**BENEFITS TO CORPORATES**
Build stronger supplier relationships and play a role in driving SME growth

- Automate payment reconciliation
- Corporate social responsibility opportunity
- No change to current processes & no additional cost
- No guarantees or recourse

**BENEFITS TO SMEs**
Fast, pre-approved financing with bank-like rates, driving improved cash flow

- No collateral
- Flexible terms with no lock-in
- Access to unsecured additional funding based on supplier relationship
- Build credit to become bankable in future
We have forged partnerships with leading government-linked entities and large corporates across Singapore, Indonesia and Vietnam.

**Key Partnerships**

**Vietnam Partnerships**

First few pilot program partners, including...
We work with leading banks in the region helping them **bolster their capacity to service the full suite of its SME clients’ needs**, without taking risk or changing its own processes.

**Models to Partner with Banks**

**Top-Up Program**
- Partner with the Bank to service existing **borrowing clients** and **rejected cases** who may want higher limits, to provide an **unsecured top-up** on financing.

**Data-Driven**
- The Bank to provide **anonymized account statement data** for SME clients for Validus to shortlist eligible clients for a pre-approved small-ticket loan.

**Lend on basis of Bank’s secured lending relationship with client**

**Increase customer stickiness**

**Sharing of disbursal fee as referral incentive to Bank**

**Launched this model with leading International bank and Top 3 SG Bank; have financed over $50m under this program**

**Lend on the basis of account statement data (payments, etc)**

**Small ticket working capital loan as entry point**

**Referral fee sharing to Bank**

**Launched this model with Top 3 SG Bank with pre-approved loans for existing CASA customers**