

# Kabbage Modeling Overview

## *U.S. and International SaaS*

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Prepared Exclusively for the IFC  
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**Kabbage**  
**PLATFORM**

# Using persistently connected data, **Kabbage** streamlines the SME underwriting process

## Traditional

The customer must gather documents from multiple sources for time-intensive manual review



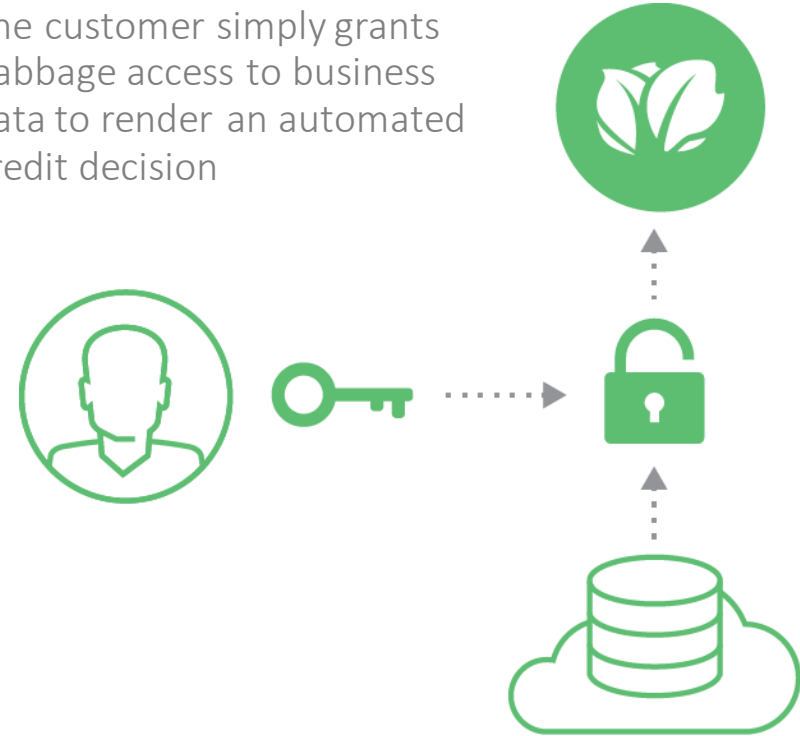
Records

Third Parties

Other Institutions

## Kabbage

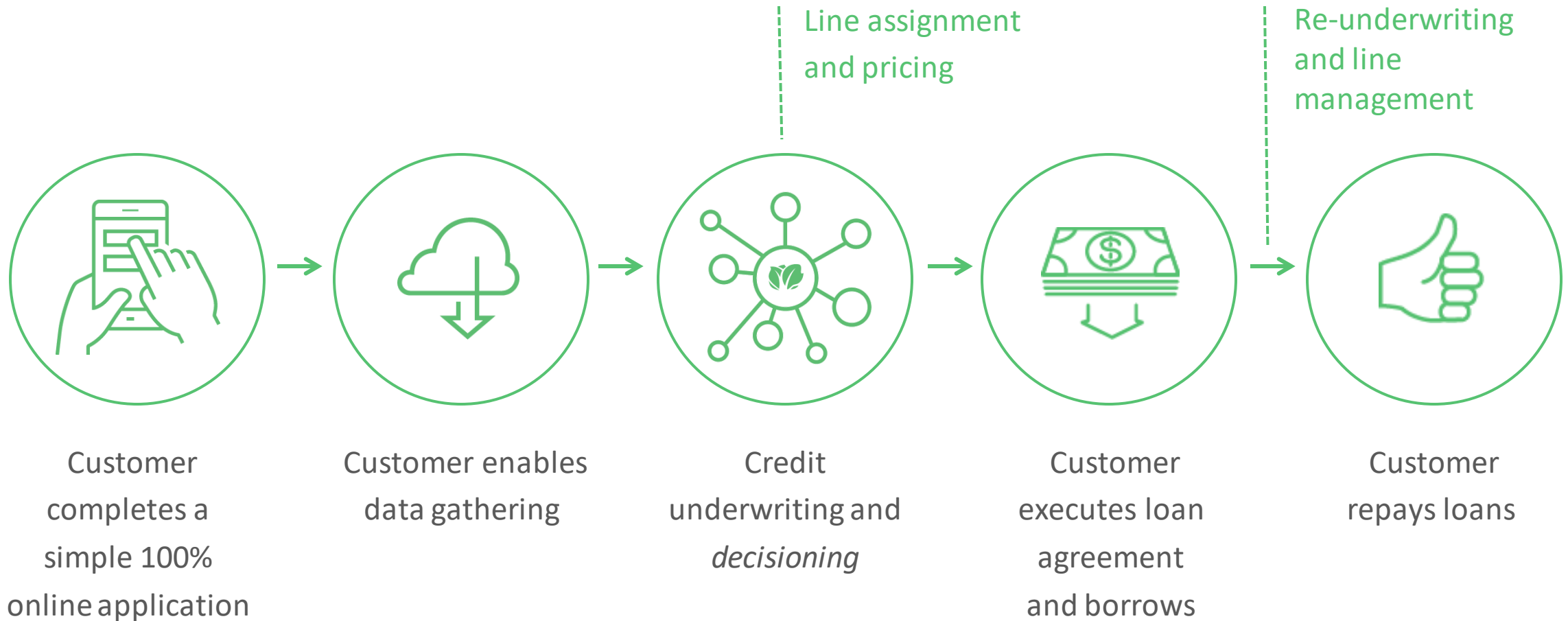
The customer simply grants Kabbage access to business data to render an automated credit decision



Existing Business Data



# Kabbage Credit Customer Stages... in minutes



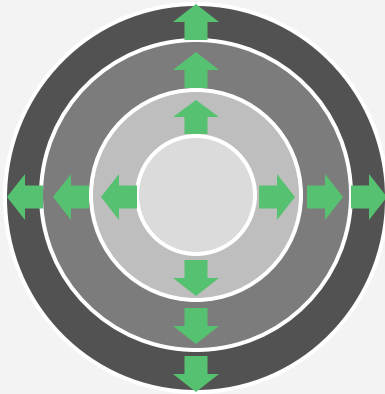
# Persistent & granular data access is key to **Kabbage**



# Kabbage's underwriting approach identifies the right target population more quickly than a bank's processes

## Traditional banking model

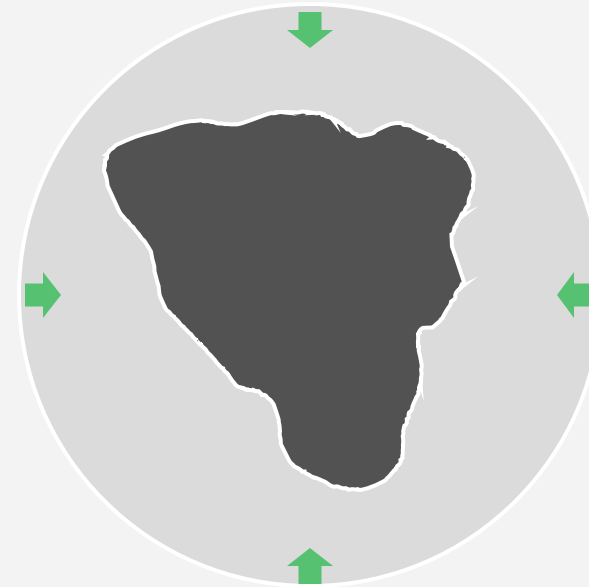
- › Slowly expanding credit box



- + Slow expansion minimizes losses
- Iterative expansion yields slower growth
- Certain segments underserved
- Less nuanced customer understanding

## Kabbage model

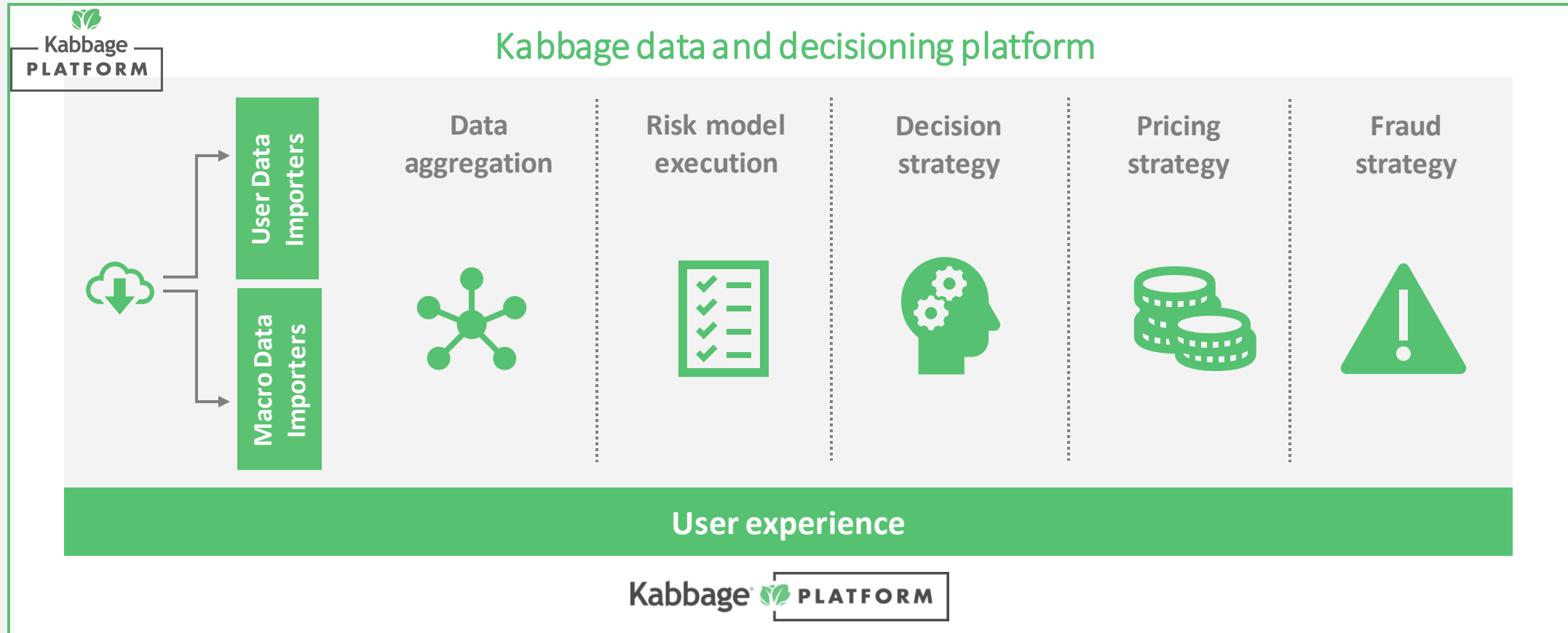
- › Start with very broad credit box and use machine learning refine the model and narrow it



- Learning stage requires upfront investment
- + Models calibrated more quickly
- + Maximum audience secured
- + More nuanced underwriting outputs



# The Kabbage Platform powers automated SME lending for global banks and non-bank partners



# Key characteristics of our **partner** success stories

	Characteristic	Example criteria
	› Cross-functional buy-in	› Level of engagement from senior leadership / CEO
	› Understanding of Kabbage's learning process	› Alignment on timeline and "bads investment" required to train model
	› Commitment to building a new product	› Dedicated product and technical resources
	› Alignment on product to offer	› Willingness to agree to iterative (not parallel) product roadmap
	› Desire to innovate	› Executive or institutional history of innovation and risk-taking
	› Automation	› Willingness to automate 100% of the process

