

DanaRupiah

One of the Leading Non-Bank Fintech Lending
Platforms in Indonesia

August 2021

Preview

<u>Part 1</u>	Fintech and Non-Bank Lending
<u>Part 2</u>	Weshare Group Introduction
<u>Part 3</u>	Market Analysis
<u>Part 4</u>	DanaRupiah Overview
<u>Part 5</u>	Risk Management
<u>Part 6</u>	Key Team Members

Appendix 1	DanaRupiah Loan Application Process
Appendix 2	DanaRupiah Loan Portfolio Statistics



Part 1

Fintech and Non-Bank Lending

Part 1

Fintech and Non-Bank Lending

- Fintech describes any company using the internet, mobile devices, software technology or cloud services to perform or connect with financial services. Many fintech products are designed to connect consumers' finances with technology for ease of use, although the term is also applied to business-to-business (B2B) technologies as well.
- A non-bank lender is a lender who is not a bank, building society or credit union, but one that has its own source of wholesale funds and lends those funds out with an added margin for profit.
- There are several major benefits associated with using a non-bank lender. The fact that they borrow their funds at wholesale prices means they have a big margin to work with and can often provide lower interest rates than the banks.
- Another advantage of non-banks over traditional banks is their size. Since they are smaller and subject to a different set of regulations, non-banks tend to be more flexible in their approach to lending. They are in a better position to be able to tailor their loan products to suit people's individual circumstances.
- Unlike traditional banks, non-bank lenders are often willing to lend to higher risk borrowers such as those who are self-employed. They can also be more accommodating of fluctuating credit history and offer faster turnaround times on loan applications.





Part 2

Weshare Group Introduction

Part 2

Weshare Group Introduction



Zhang Jinghua
Founder, Chairman



1500+
Employees



1000+
Overseas Team

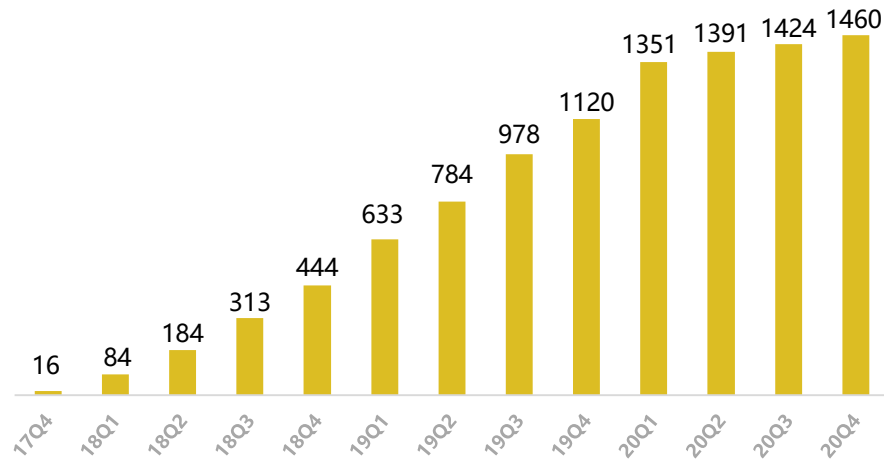
- DanaRupiah is part of the Weshare Group. Weshare was founded in 2014 by Mr. Zhang Jinghua who previously worked as a senior executive at Samsung and Motorola. Mr. Zhang has a MBA from Peking University and an EMBA from Tsinghua University.
- Weshare is committed to providing financial technology services on a global scale through continuous exploration and innovation of cutting-edge technologies such as big data, cloud computing, artificial intelligence, and blockchain. As a global company, Weshare has a presence in numerous countries around the world including Singapore, Indonesia, Vietnam, The Philippines, Russia, India, Kenya, Nigeria and Mexico. Weshare employs more than 1500 employees and total transaction volume exceeded RMB 7 billion in 2020.

Part 2

Weshare Group Introduction

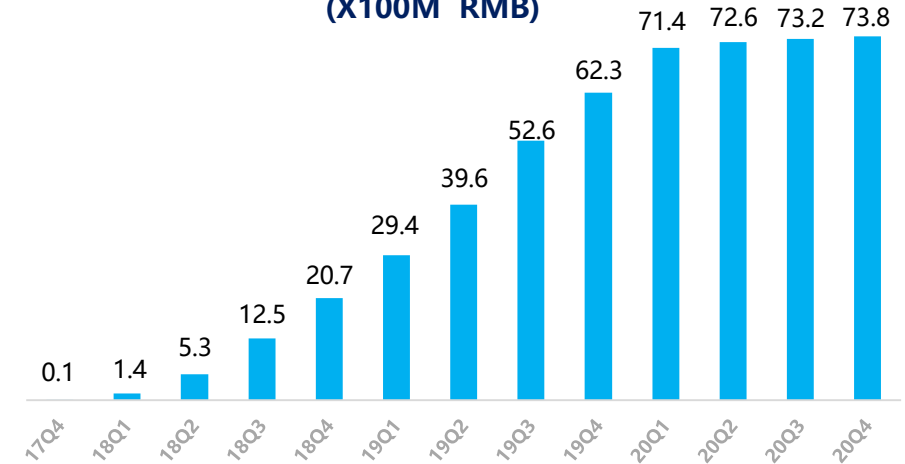
- As of 2020, Weshare has more than 14 million registered users
- According to APP Annie (July 2020), Weshare is ranked 2nd in the world in terms of the number of countries it has operations in and 11th in the world in terms of the number of app downloads. (*excludes China market*)
- This demonstrates Weshare's status as a major player in the global microfinance industry

Weshare Total Registered Users (X10K People)



Total Registered Users
Exceeded **14 Million People**

**Weshare Total Overseas Transaction Volume
(X100M RMB)**

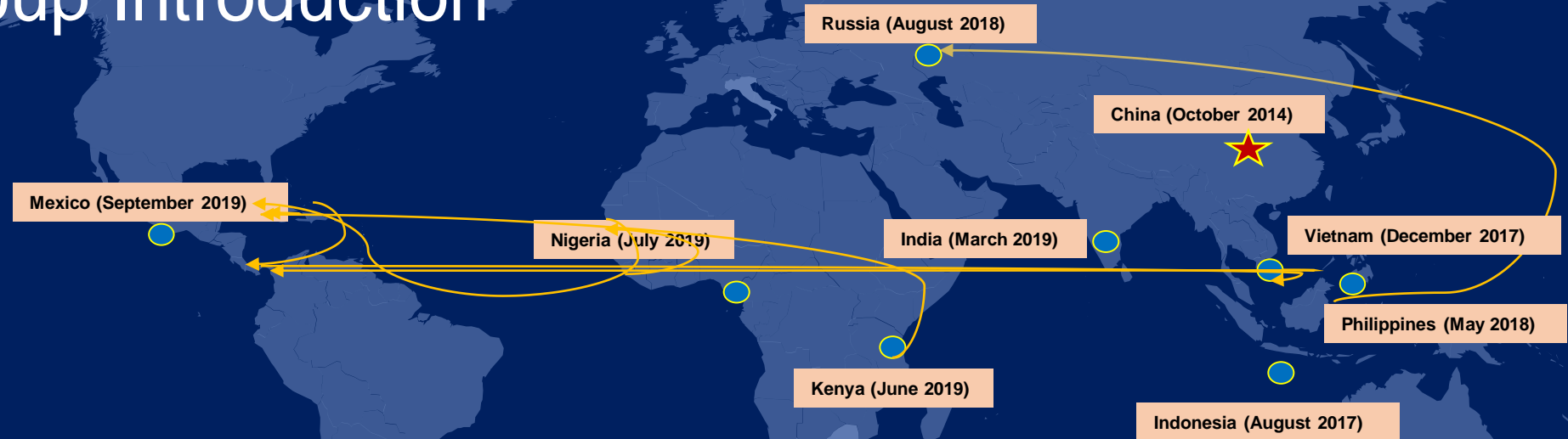


Total Overseas Transaction Volume
Exceeded **RMB 7 Billion**

Data as of Q4 2020

Part 2

Weshare Group Introduction



Indonesia	Philippines	Vietnam	Russia	India	Kenya	Nigeria	Mexico
							
(OJK) Lending License	Loan license	Financial Services License	Microfinance License	Microfinance License	Loan license	Loan license	Loan license



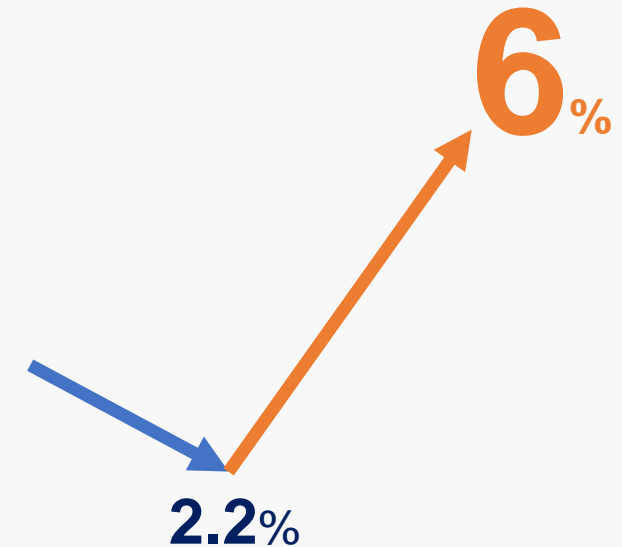
Part 3

Market Analysis

Part 3 Market Analysis

Indonesia GDP growth expected to rebound in 2021

- Indonesia's economic growth is expected to rebound this year after it fell in 2020 into its first recession since the 1998 Asian financial crisis. According to the latest economic outlook from Oxford Economics commissioned by the Institute of Chartered Accountants in England and Wales (ICAEW), the country's gross domestic product (GDP) is forecast to shrink 2.2 percent in 2020 and rebound to 6.0 percent growth in 2021, driven by increases in consumer and infrastructure spending.
- Earlier reports from other international institutions projected a stronger Indonesian economy in 2021, with the World Bank forecasting 4.4 percent growth and the Asian Development Bank (ADB) forecasting 4.5 percent growth.
- "Indonesia's Growth in 2021 is projected to rebound, partly driven by a base effect and assuming that consumer confidence improves and household income is supported by a stronger labor market and adequate social assistance," the World Bank said in its December 2020 Indonesia Economic Prospects (IEP).
- Continued improvement in testing and contact tracing, as well as preparations to procure and widely administer effective vaccines will be the keys to the economy's recovery.

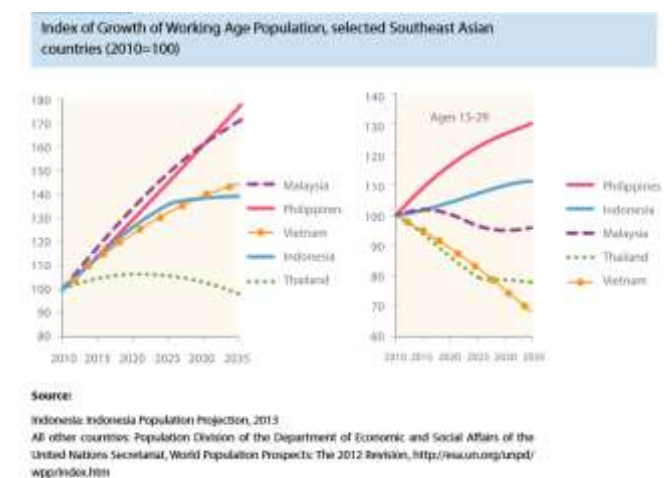
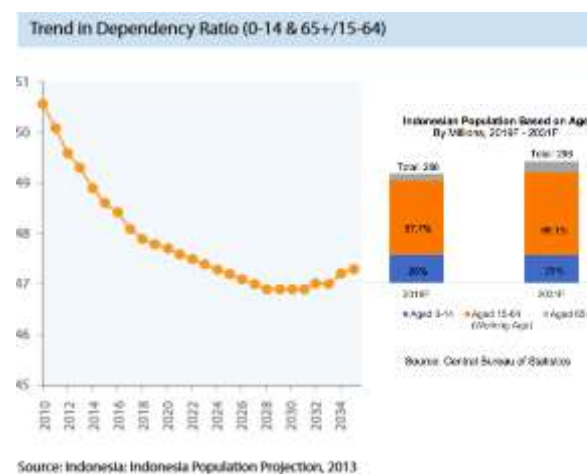
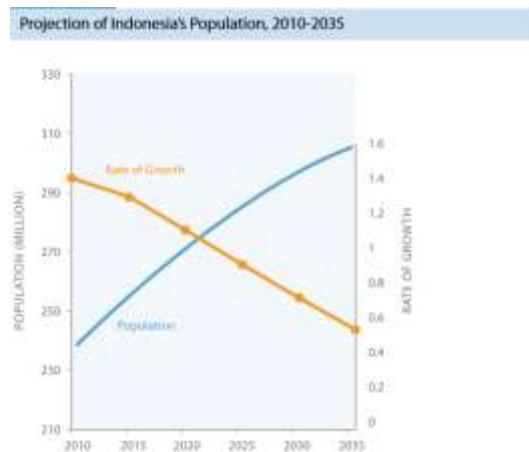


Indonesia's gross domestic product (GDP) is forecast to shrink 2.2 percent in 2020 and rebound to 6.0 percent growth in 2021

Part 3 Market Analysis

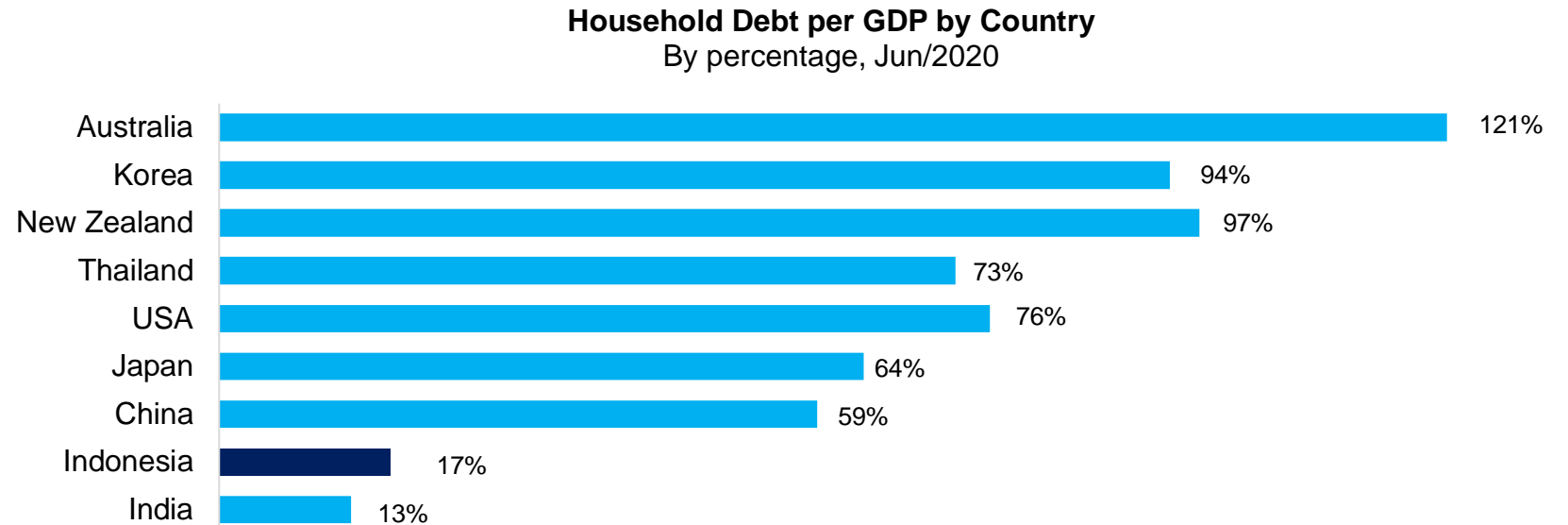
Indonesia Demographics

- Indonesia is the world's fourth most populous country with more than 270 million people and its median age is about 29.7 years old. The official population projections for Indonesia show that considerable population growth will take place over the next 25 years, though the rate of increase will be slowing. The younger segment of the working-age population – those aged 15-29 – will continue to increase slowly. The working-age population of more mature age – those aged 30-64 - will increase rapidly, as a result of higher fertility rates at the time when they were born. Indonesia's relatively low and falling dependency ratio is very favorable for its economic growth.
- The changes in Indonesia's age structure will in many ways be favorable for more rapid economic development and steady rise in per capita income levels, though much will depend on the quality of Indonesia's economic and social planning and the efficiency with which development programs are conducted.



There is a huge potential for debt growth in Indonesia.

- One of the key elements that can boost economic growth effectively is the utilization of credit to boost spending and accelerate production capabilities. However, Indonesia has a very low loan disbursement per GDP compared to other countries indicating that its financing capacity is not yet fully utilized.



Source: International Monetary Fund, Asian Development Bank.

Part 3 Market Analysis

Untapped Fintech Opportunities

INDONESIA At A Glance

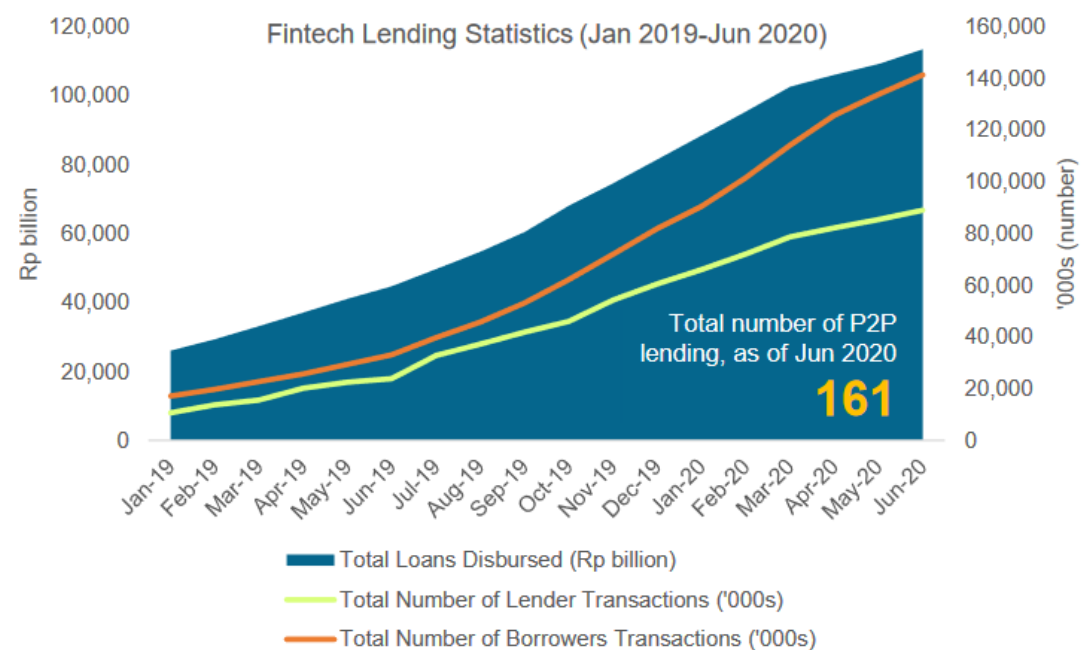


- Currently, a large number of individuals and businesses still have no access to credit in Indonesia. Given that banks may not be able to serve this customer segment in a profitable manner, there is ample room for fintech growth.
- Moreover, increasing Internet and smartphone penetration, fueled by collaborations with other digital platforms (e.g. e-commerce, ride-hailing, logistics) will drive growth in the Indonesian fintech industry.

Part 3 Market Analysis

Continued Market Growth

- According to the MSME Ministry, Indonesia had 64 million MSMEs in 2018, of which 63 million are micro businesses. The MSME sector has absorbed 97% of workers, thereby contributing 61% to the country's gross domestic product. These MSMEs are highly underserved as they are costly to serve due to lack of credit information and history. According to the government, around 41 million MSMEs have access to credit from financial institutions while 23 million are not bankable. According to Asian Briefing, only eight million MSMEs have an online presence.
- In 2019/2020, increased P2P lending companies develop AI-powered credit scoring models and alternative lending solutions to serve the large, underserved population. As per 2020, total funding from P2P platforms reached IDR 113.46 trillion (USD7.7 billion) with close to 26 million borrowers, from over 160 fintech companies listed with the OJK, according to data from Bank Indonesia.



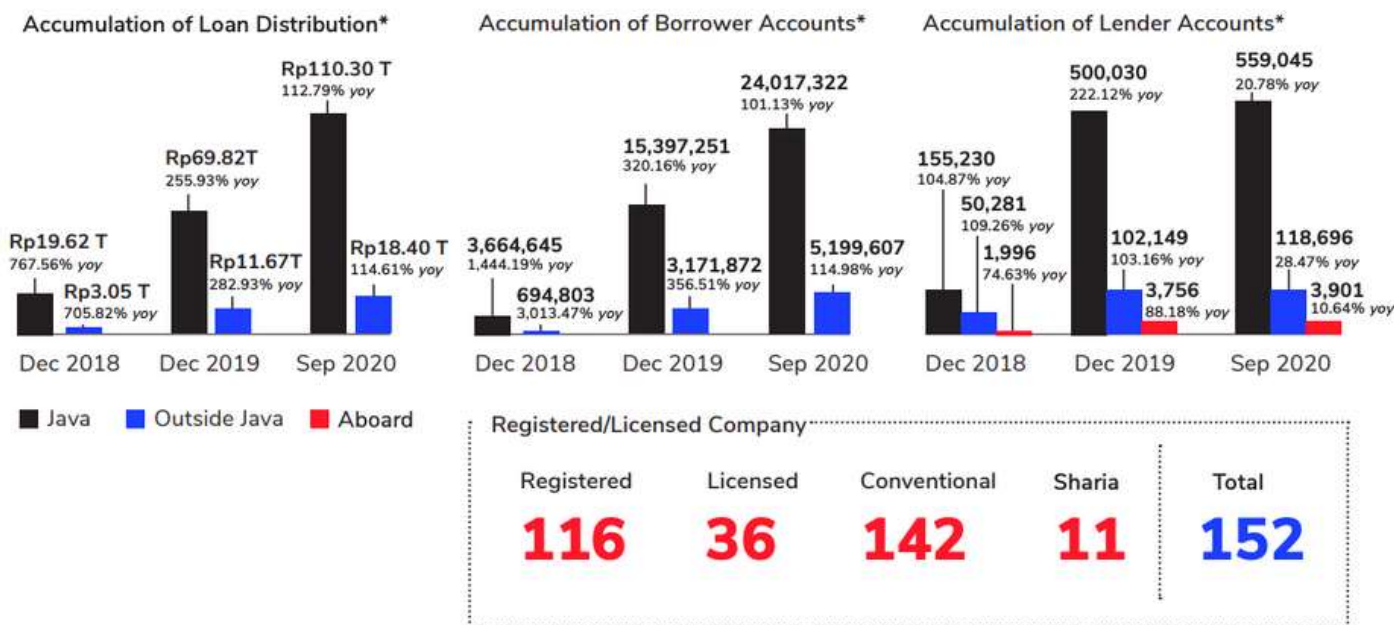
Source: Otoritas Jasa Keuangan (OJK)

Part 3 Market Analysis

Continued Market Growth

- With COVID-19 forcing consumers to move to digital channels, the fintech sector experienced growth in 2020 amid physical restrictions.
- Total volume in alternative financing in 2020 reached IDR 128.7 trillion (US\$9 billion) in September, more than doubling 2019's levels. The number of borrower accounts also doubled in 2020, surpassing 29 million.

Figure 03. Fintech Lending Statistic/OJK



Fintech Lending Statistic/OJK, Source: Fintech Report 2020, DSRResearch in partnership with CIMB Niaga, Dec 2020

Part 3 Market Analysis

Government Support & Regulations

- Indonesia recognizes contributions from Fintech Lending as potential “vehicles” to promote wider financial inclusion which is necessary to fully optimize Indonesian economic potential. The Indonesian government has used a principle-based and market conduct approach to craft regulations, accelerate innovation, and drive collaboration between multiple stakeholders, while also ensuring customer protection.
- The Fintech sector in Indonesia is regulated by two separate institutions: (i) the central bank (Bank Indonesia / “BI”) for fintech related to the payments system, such as payment gateways, e-money, e-wallet, etc.) and (ii) the Financial Services Authority (“OJK”) for fintech related to lending and all other aspects of fintech.
- OJK has established regulations concerning Digital Financial Innovation, Peer-to-Peer Lending, Equity Crowdfunding, Digital Banking, and regulatory sandbox, established OJK Fintech Center, officiated the Fintech Association (AFPI and AFI), as well as conducted the “Fintech Days” socialization events as part of its strategic initiative to support the growth of Fintech Lending and propel innovation in Digital Financial services.

October
2015

OJK established the “AFTECH” (Asosiasi FinTech Indonesia).

August
2016

OJK Regulation No. 77/POJK.01/2016

April
2017

OJK Circular No. 18/SEOJK.02/2017

August
2018

OJK Regulation No. 13/POJK.02/2018;
The sandbox regime and pre-audit mechanism were adopted.

December
2018

The “AFPI” (Asosiasi Fintech Pendanaan Bersama Indonesia) was acknowledged by OJK to set out certain criteria for Fintech companies.

January
2019

OJK published an updated regulation to control and supervise the Fintech industry.



Part 4

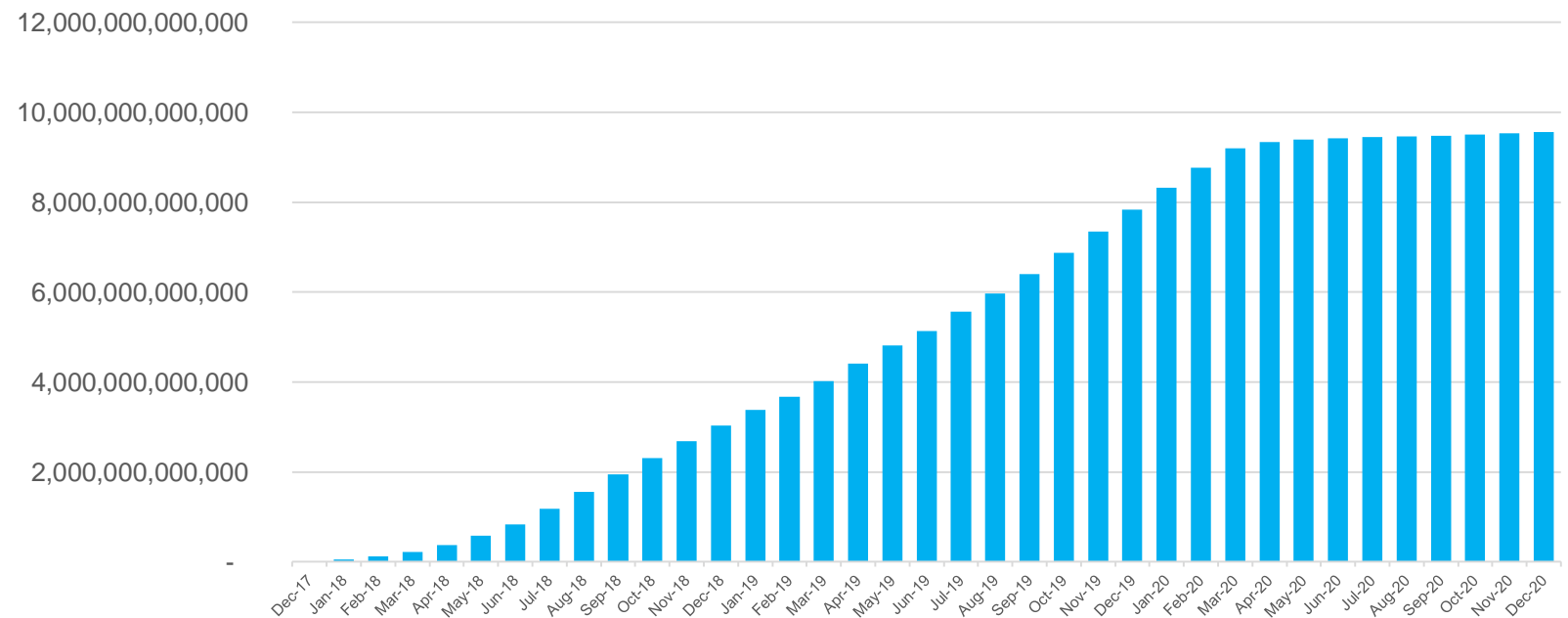
DanaRupiah Overview

Part 4 DanaRupiah Overview

Innovation-driven Fintech Leader in Indonesia

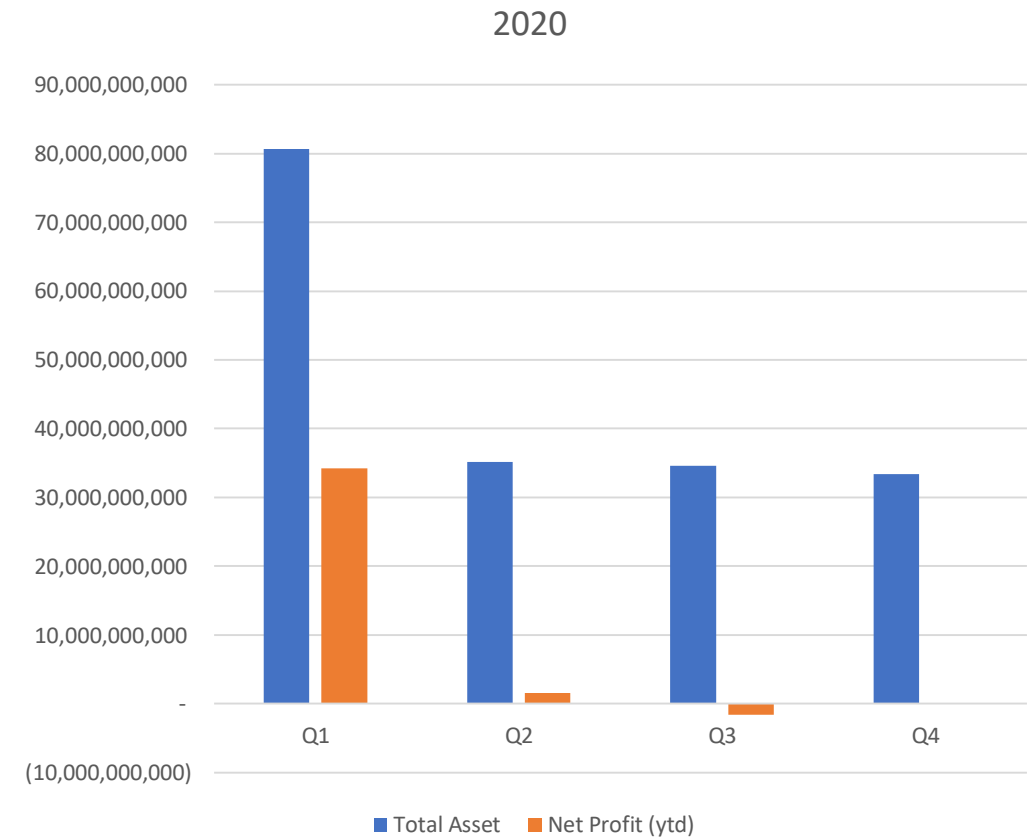
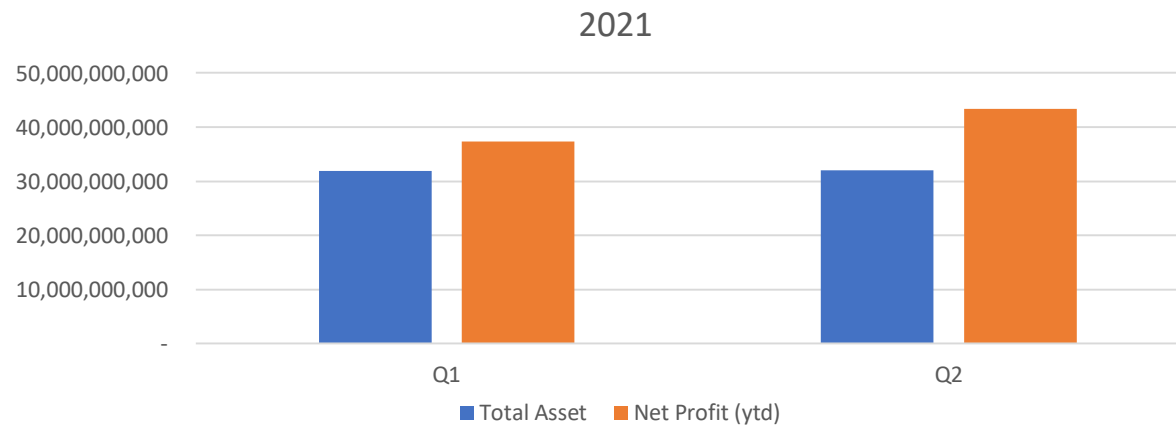
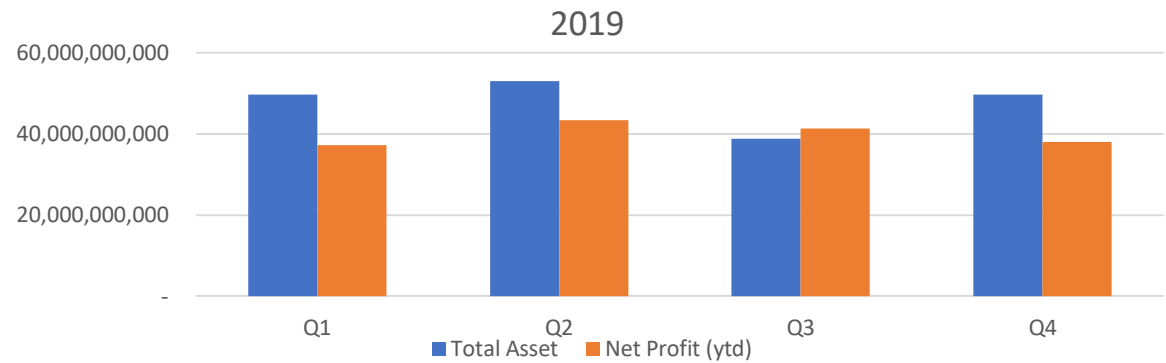
- Established in August 2017, DanaRupiah has been at the frontier of innovation in the fintech industry through the utilization of technologies such as data mining and artificial intelligence. By providing unsecured credit services to local blue-and-white-collar workers, it has become one of the leading non-bank fintech lending companies in Indonesia with more than USD 740 million of cumulative loan disbursement, 6.6 million registered users and 1.1 million borrowers as of December 2020.

Cumulative Loan Disbursement (IDR)

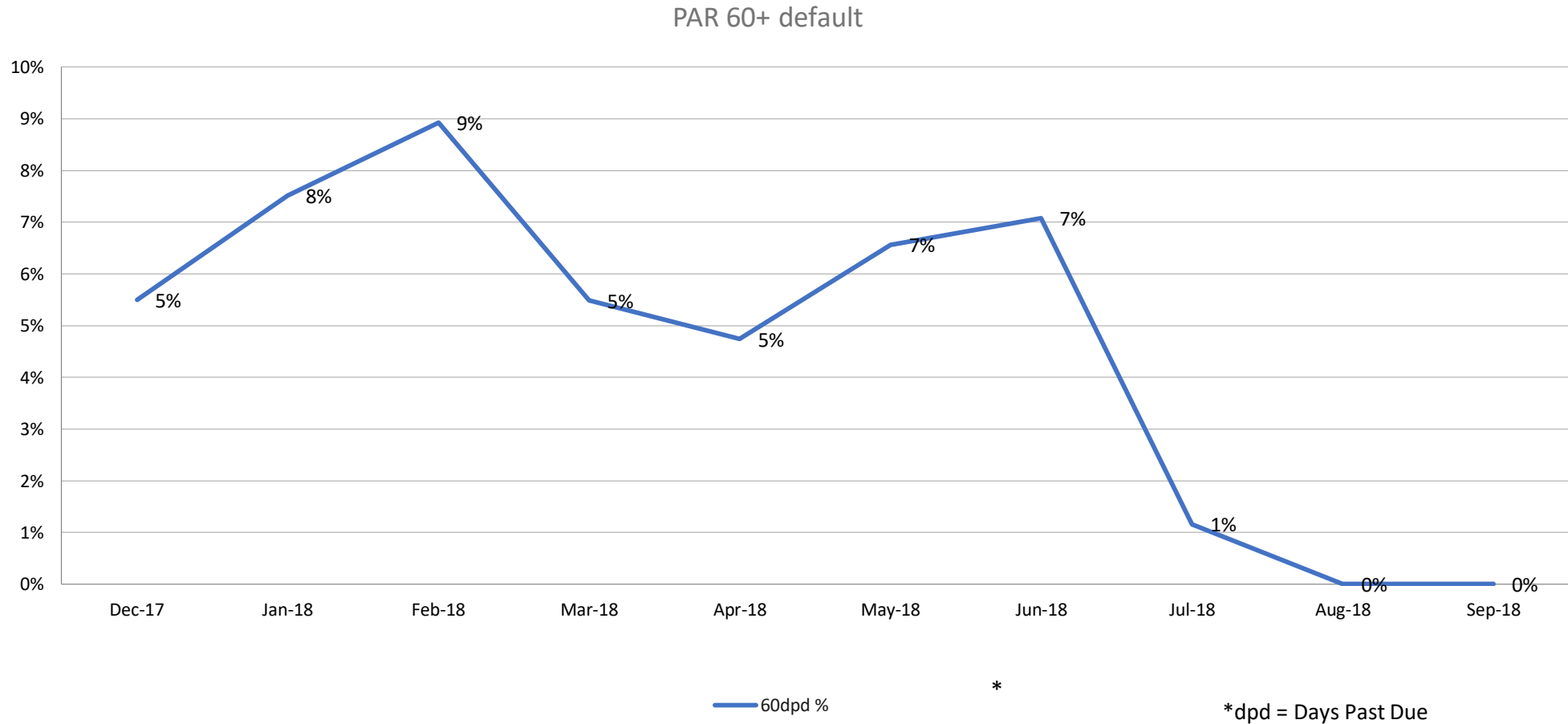


Part 4 DanaRupiah Overview

Total Assets (2019 to 2021)



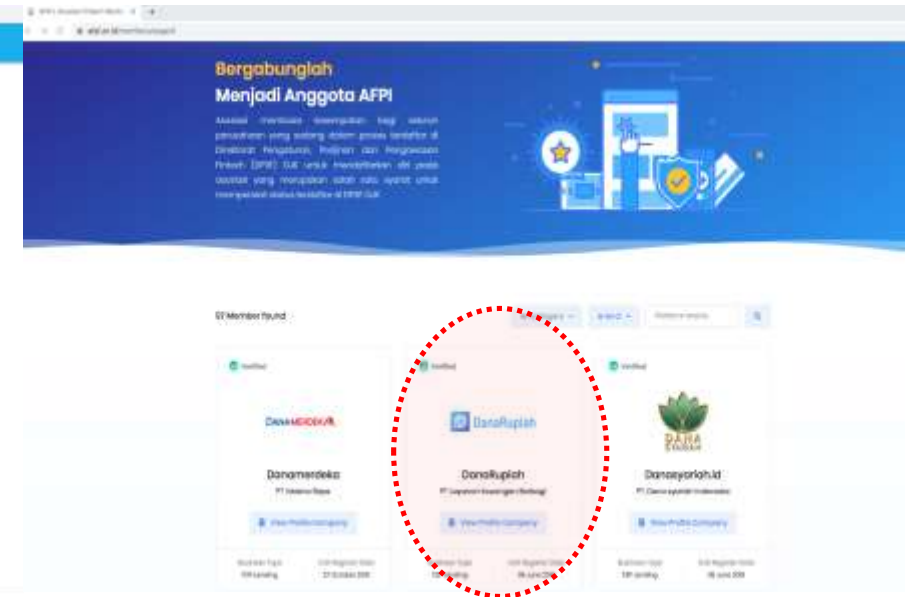
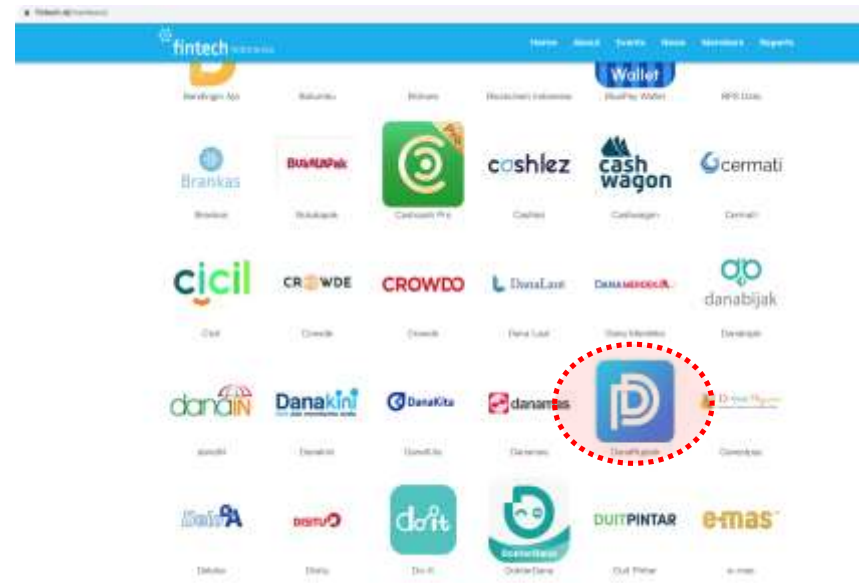
Granted Loans and Non-Performing Loans



Part 4 DanaRupiah Overview

OJK Registration & Fintech Membership

- DanaRupiah registered with OJK on June 8, 2018, was issued a P2P license on May 18, 2020 and is in the midst of applying for a multi-finance license. DanaRupiah is also a member of AFTECH and AFPI.



OJK Registration & Fintech Membership



Izin Usaha



Terdaftar

Nomor	Nama Platform	Website	Nama Perusahaan	Surat Tanda Berizin/Terdaftar	Tanggal	Jenis Usaha	Sistem Operasi
29.	DanaRupiah	danarupiah.id	PT Layanan Keuangan Berbagi	KEP – 18/D.05/2020	19 Mei 2020	Konvensional	Android dan iOS
30.	Taralite	www.taralite.com	PT Indonusa Bara Sejahtera	KEP – 19/D.05/2020	19 Mei 2020	Konvensional	-
31.	Pinjam Modal	pinjammodal.id	PT Finansial Integrasi Teknologi	KEP - 20/D.05/2020	19 Mei 2020	Konvensional	Android dan iOS
32.	ALAMI	p2p.alamisharia.co.id	PT Alami Fintek Sharia	KEP - 21/D.05/2020	27 Mei 2020	Syariah	Android dan iOS

Diversified Loan Products

- DanaRupiah primarily provides personal loans, productive loans and training and education loans to individuals in Indonesia. Its core product is personal loans which account for more than 99% of the whole portfolio.

Loan Portfolio Summary

Loan Amount	IDR 300,000 ~ IDR 8,000,000
Loan Term	26~60 days
Loan Purpose	Turnover funds for emergency need and daily consumption
Average Number of Loans	217,704 loans per month
Interest Rate	0.8% per day

Personal Loans



Fast

Transferred within 1 hour and the whole process verified automatically;



Easy

Without collateral and operation all through the mobile end system;



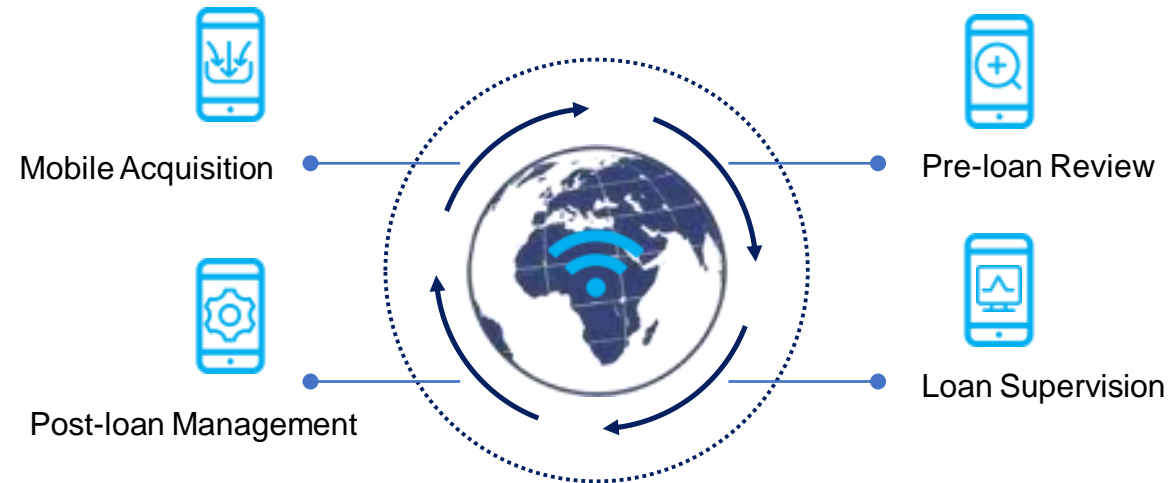
Low Interest

Data processing cost 0.3%, risk assessment cost 0.362%, interest 0.038%, commission fees 0.1%.

Part 4 DanaRupiah Overview

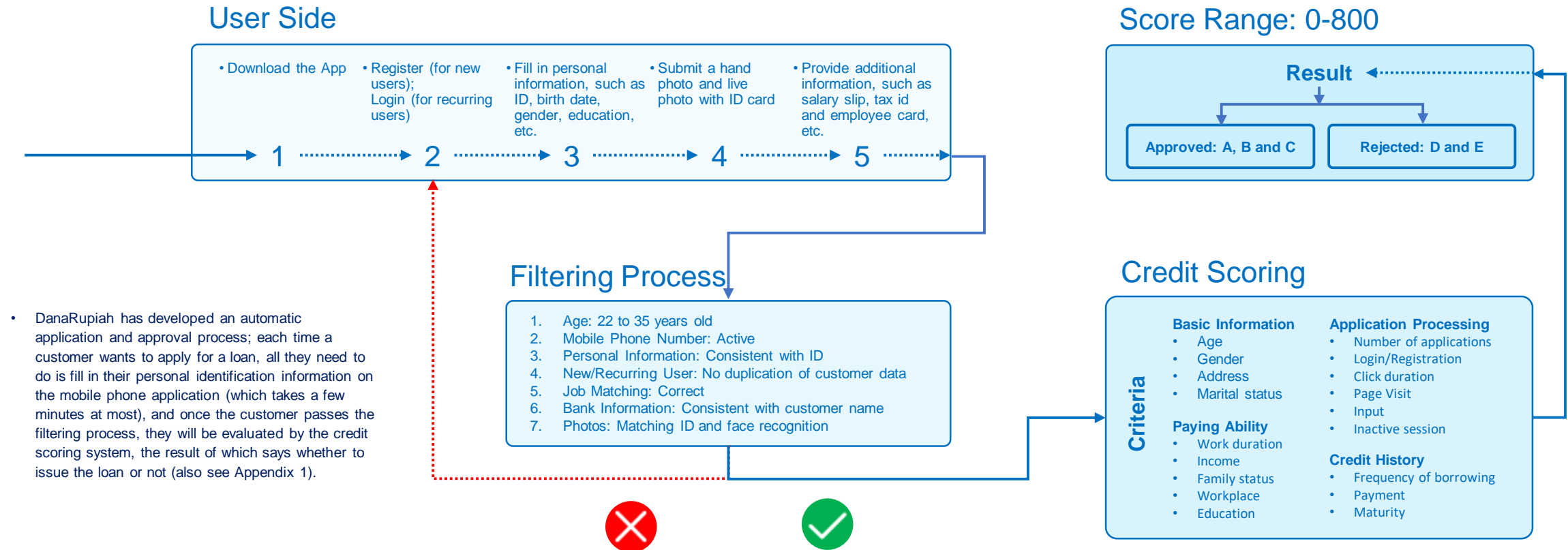
Automated Online Process

- DanaRupiah is a pioneer in adopting the wholly-online model based on the mobile-end systems, and achieves the automation and digitalization of the process from customer acquisition to loan application and review, loan disbursement and post-loan management, which has greatly reduced the operational costs.



Part 4 DanaRupiah Overview

Automatic Loan Underwriting Process

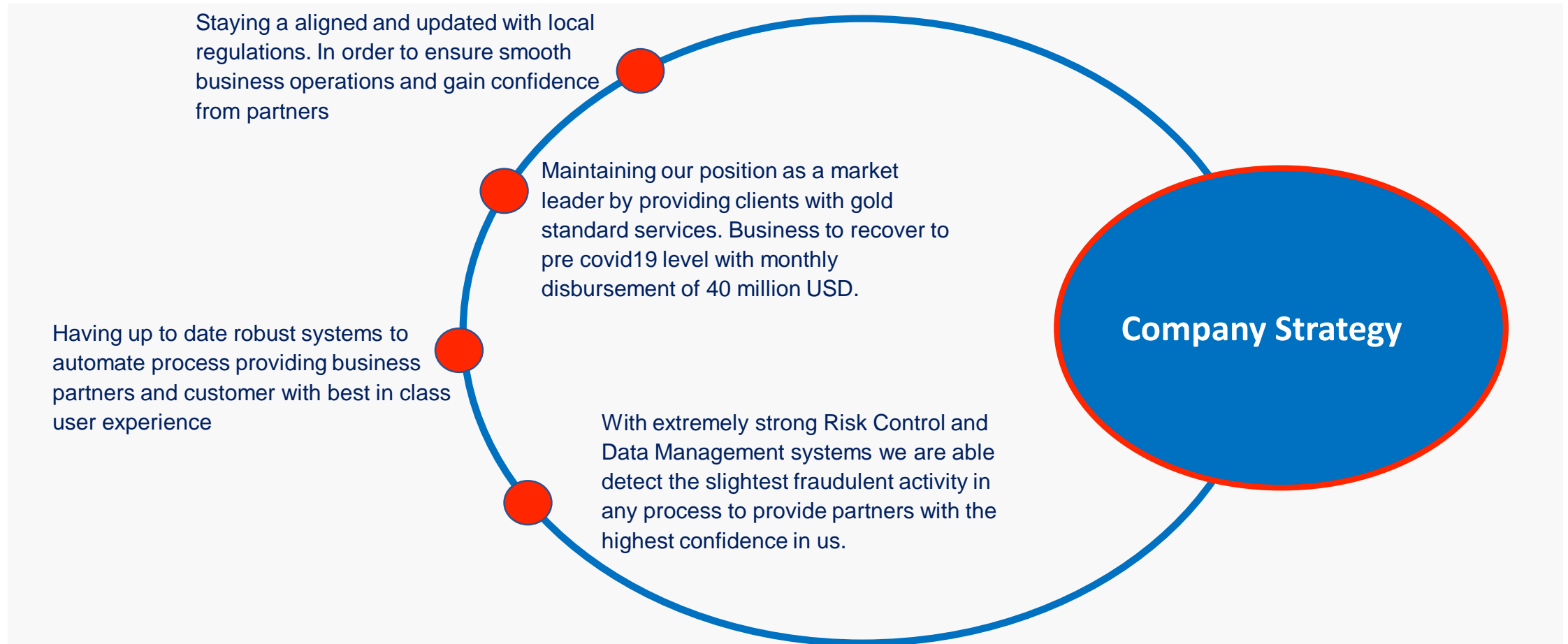


Standardized Debt Collection Process

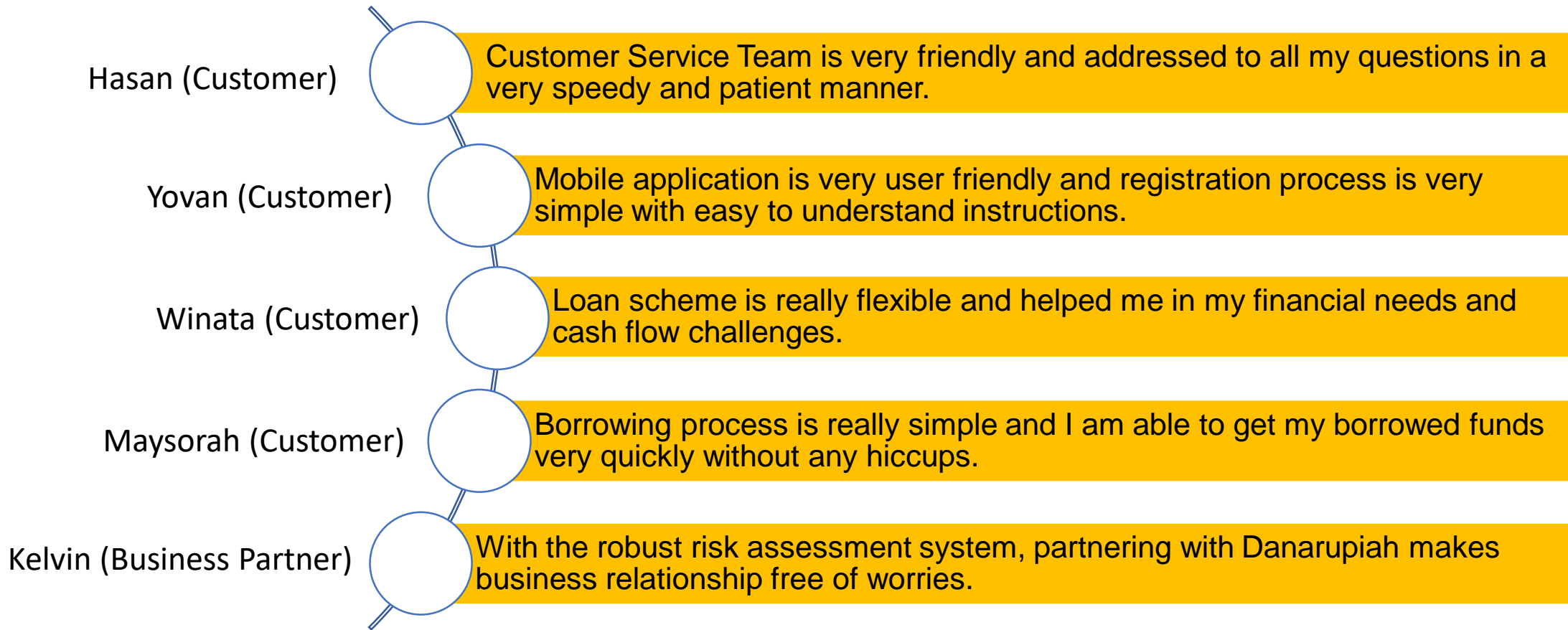
- The sister company of DanaRupiah has 250 inhouse employees specialized in debt collection across Indonesia, including Surabaya, Semarang, Bandung, Jakarta, Cengkareng, Mangga Dua, Ruko GSA, etc.
- The external collectors from outsourced companies include another 250 employees located in Lombok and Jakarta. Customers are sent an SMS reminder one day before the their repayment date.
- The debt collection process for overdue loans are detailed as the chart shows:

Days Overdue	Recommended Solutions
1	Deliver an automatic voice call to remind the customer of the repayment when the loan is overdue 1 day.
2-5	Call the customer to repay the loan (no more than three calls a day).
6-15	In the case that the customer cannot be reached on the phone, the collection commissioner will call some emergency contacts previously.
16-90	If the customer is unable to be reached or shows no good intention for repayment, SMSs will be sent and phone calls made for three consecutive days. Thereafter, if the customer does not pay or call back, the collector will start to call the emergency contacts previously authorized by the customer to remind them of the repayment (no more than five calls per day to each contact).
90+	When the loan is overdue more than 90 days and if the customer has no willingness to repay, a professional external agent from an outsourced company will be hired to make phone calls.

Company Strategy and Goals



Customers' and Partners' Feedbacks



Part 4 DanaRupiah Overview

Partnerships with Major Banks and Media

Mitra Bank	
Mitra Media	



Part 5

Risk Management

Advanced Big Data Collection Technology



Mass Data

- 880TB+

Processing Capacity

- 220,000 times per second

Positive & Negative

- 50+ vertical data collection models
- 70+ blacklists covering over 30 million users

Multiple Input

- 100+ credit input
- 10000+ basic tags



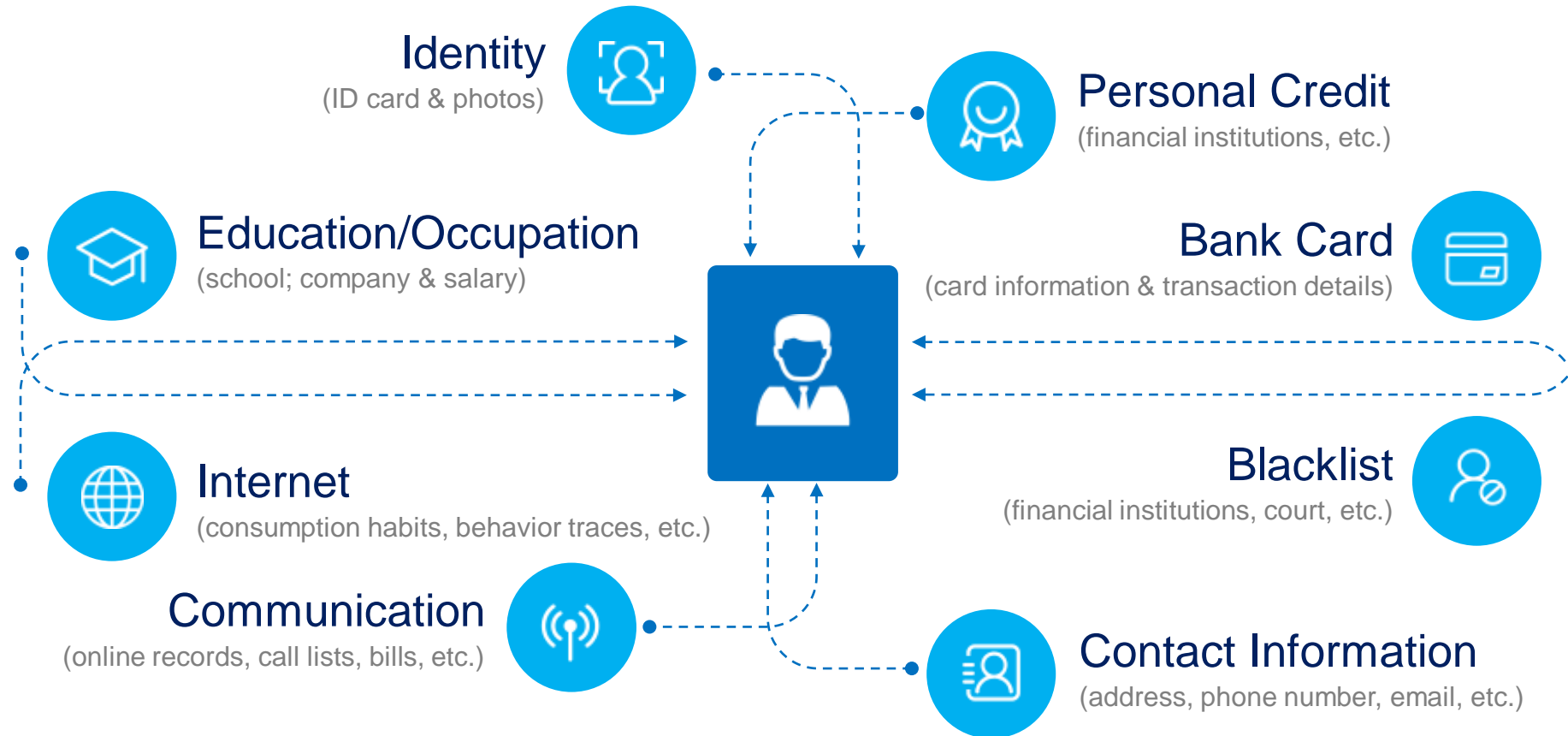
Dense & Sparse Processing

- Sparse processing of low-value data
- Dense processing of high-value data

Diversified Sources

- Users' offering
- Third-party data
- User behavior data

Multi-dimensional Customer Database



Part 5 Risk Management

Customized Risk Control Model

10+

Antifraud Models

Anti-fraud System

Combining third-party credit information and historical collection of big data, over 10 anti-fraud models have been established to create a strong capacity of fraud identification and filtering.

280+

Credit Models

Big Data Scoring & Prediction Model

Borrowers are scored based on more than 1 billion pieces of data. Over 280 credit risk models have been established to classify the transaction risk and predict overdue payments.

80+

Behavior Risk Models

Transaction Risk Identification & Processing System

During the transaction process, borrowers will be continuously monitored. There are over 80 transaction behavior risk models deployed to intercept suspicious transactions in real time.

50+

Post-loan Management Models

Automatic Learning System

Machine learning accumulates information and improves the automated review and approval rules.

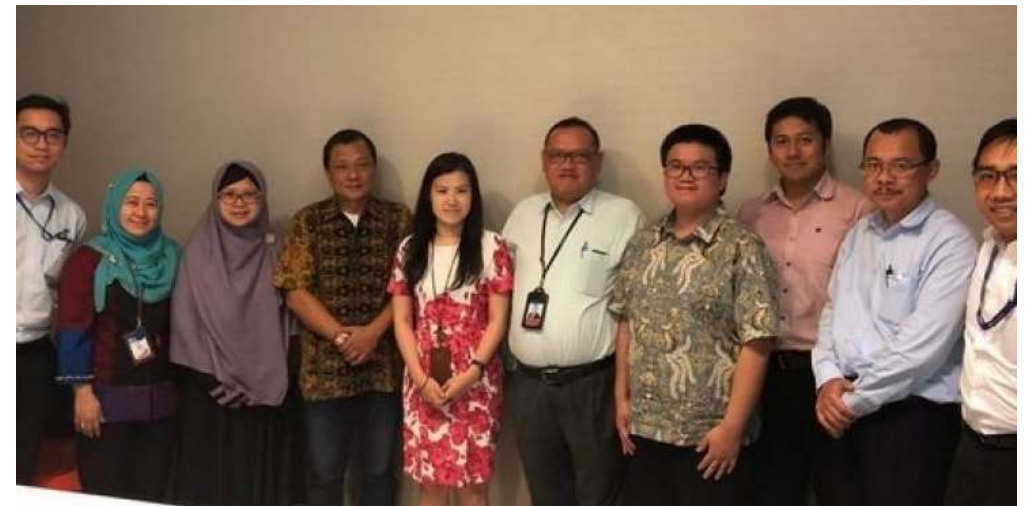
Part 5 Risk Management

Regulatory Measures

- By registering with OJK and joining AFTECH and AFPI, DanaRupiah keeps updated of the latest regulatory changes as the fintech industry is still evolving in Indonesia. It also contributes to the growth of fintech lending through advanced technological development and improved business operation.
- DanaRupiah is committed to following Fintech rules and meeting OJK's regulatory standards. It attends all the events held by OJK and Fintech associations and has a dedicated team to mitigate regulatory risks. Currently, DanaRupiah reports all the necessary information related with its disbursements and collections to OJK on a monthly and yearly basis.
- Our Financial Statements are all audited according to international standards, staying aligned with regulations.



DanaRupiah Offering Productive Loans to Indonesian Farmers in July 2019



BI Bank Visiting DanaRupiah on April 22, 2019



Part 6

Key Team Members

Part 6 Key Team Members

Board of Directors



Entjik S Djafar, *President Director*

- 27 years of experience in the banking industry (Bank Niaga, Bank Jaya Internasional, Bank Artha Graha, Bank Bumiputra and QNB).
- More than 8 years of experience in the field of business consulting.
- Vice Chairman of AFPI Fintech Multi-finance Branch.
- President Director of GNV Consulting Learning Center.



Wahyu S Ariyanto, *Director*

- More than 25 years of experience in the field of corporate banking with expertise in analytics, communication, marketing and risk management.
- With his broad network and deep insight in the financial sector, he will play a significant role in pushing the company forward.

Board of Commissioners



Susan Liang, *Chief Commissioner*

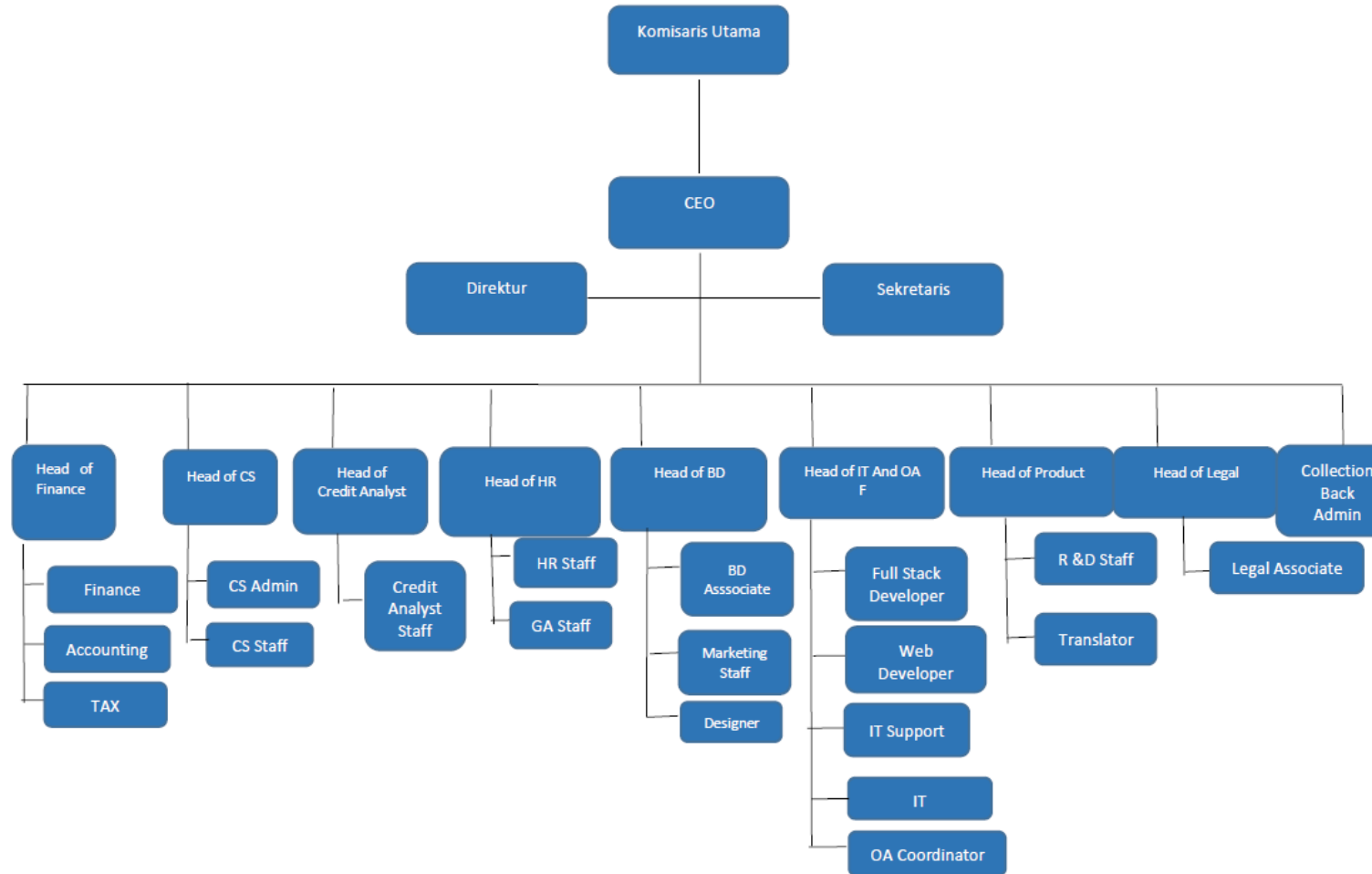
- 10 years of experience in the technology industry
- Now focused in the marketing sector.
- Alumni of Gadjah Mada University (UGM Yogya).



Charisa Dini, *Commissioner*

- More than 13 years of experience in treasury banking including interbank, retail, corporate, money market and asset and liability committee (ALCO).
- Strong analytical skills and expertise in the field of operational and risk management, organizational management and regulatory compliance.

Management & Organization Structure



Appendix 1:

DanaRupiah Loan Application Process

Open the application



Login with mobile phone number



Fill in name and ID No. for real name authentication



Submit personal data, emergency contact information and live photos, etc.

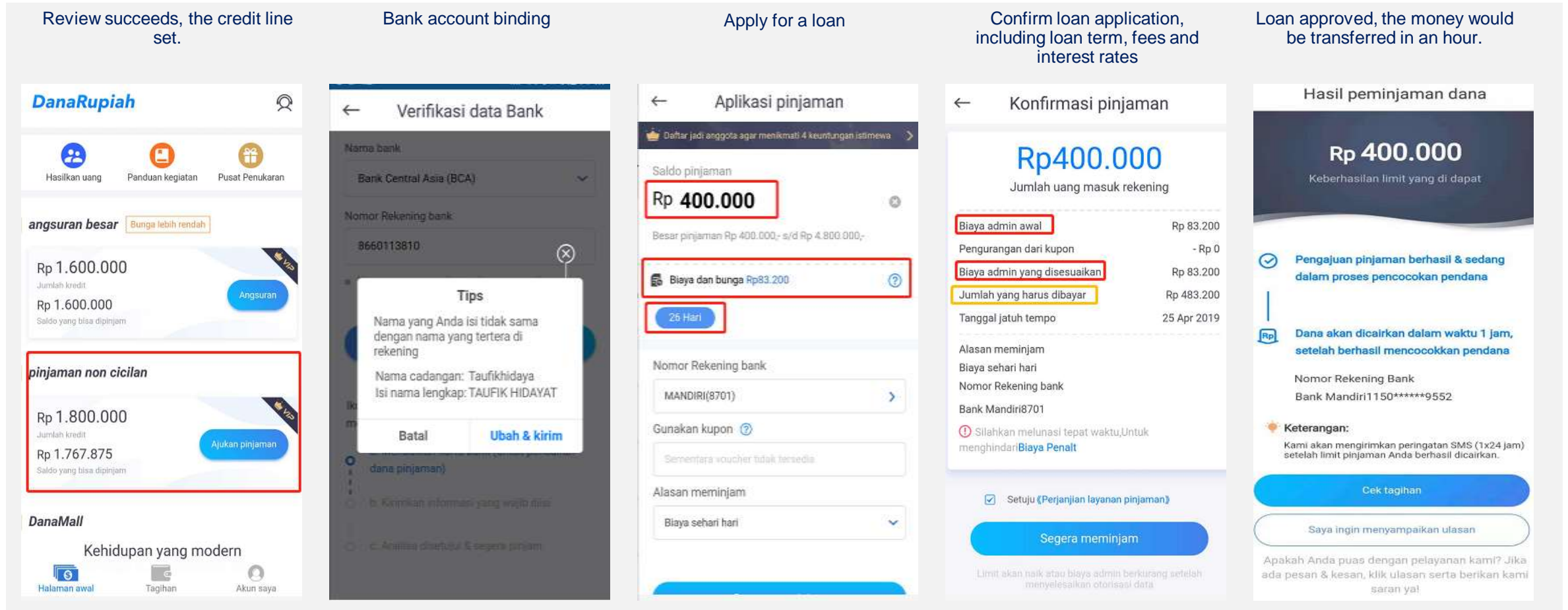


Data review through the risk control system on the App and over the phone



Appendix 1:

DanaRupiah Loan Application Process



Thanks

DanaRupiah

One of the Leading Fintech Platforms in Indonesia
February 2021

