

# Modern Credit & Risk Decisioning Engine



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2019

# Management Team With Deep Expertise

OVER 10 YEARS OF R&D BEHIND OUR CORE TECHNOLOGY



**Laura Kornhauser**  
Co-founder &  
CEO



**Dmitry Lesnik, PhD**  
Co-founder &  
Chief Data Scientist



**Stas Cherkassky**  
Co-founder &  
CTO



**Deniz Johnson**  
Chief Operating Officer



**Ravi Iyer**  
Head of Finance  
& Strategy





ABOUT STRATYFY

Stratyfy's Solutions allow lenders  
to make more informed credit risk assessment  
decisions  
to earn millions in additional profits without  
introducing operational or regulatory risk

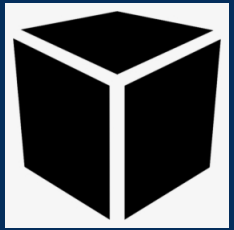
# Stratyfy Has Built What Financial Institutions Need NOW



**Only 21%**  
of AI investment has  
made it into production



**\$13 Trillion**  
Lost business revenue  
due to biased lending\*



**WHY?**  
The lack of  
transparency



**Our patented**  
bias mitigation has the  
power to close this gap

\*Citi Report: Closing the Racial Inequality Gaps

# Mitigating Bias & Increasing Transparency Is No Longer Optional

MUST ACT NOW TO AVOID COSTLY DAMAGE

**“The Price of Wells Fargo's Fake Account Scandal: \$3 Billion”**

*New York Times, February 21, 2020*

**“Machine learning can't fix algorithmic bias. But humans can”**

*Quartz at Work, February 20, 2020*

**“The Apple Card Didn't ‘See’ Gender—and That's the Problem”**

*Wired, November 19, 2019*

**“NY Regulator Probes UnitedHealth Algorithm for Racial Bias”**

*Wall Street Journal, October 26, 2019*

# Driving Understanding & Effective Communication

BUILD TRUST AND COLLABORATION THROUGH TRANSPARENCY



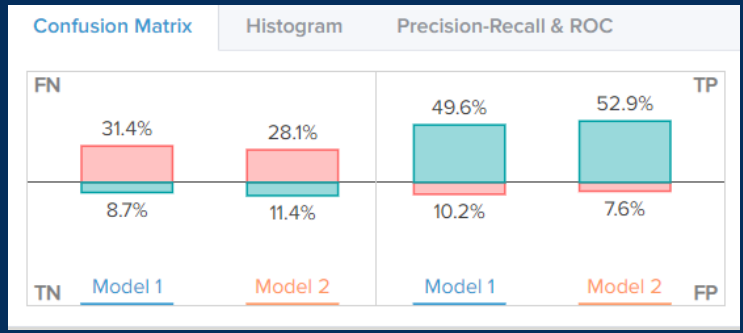
## BUILD & ANALYZE

Model  
Builder

Read, edit & update model easily

Rules	All	Single case(s)	C000262	variable: gender
Rule_id	Definition	Confidence	Impact ↑	
R013	if annual_inc <= 50,000 and fav_color = 1	<input type="range"/>	<input type="range"/>	
R005	if annual_inc < 36000 then loan_safe = fa	<input type="range"/>	<input type="range"/>	
R027	if revol_util in (49.5 .. 71.4) then loan_safe	<input type="range"/>	<input type="range"/>	
R017	if emp_length_num > 6 then loan_safe = t	<input type="range"/>	<input type="range"/>	
R023	if open_acc <= 9 then loan_safe = false	<input type="range"/>	<input type="range"/>	

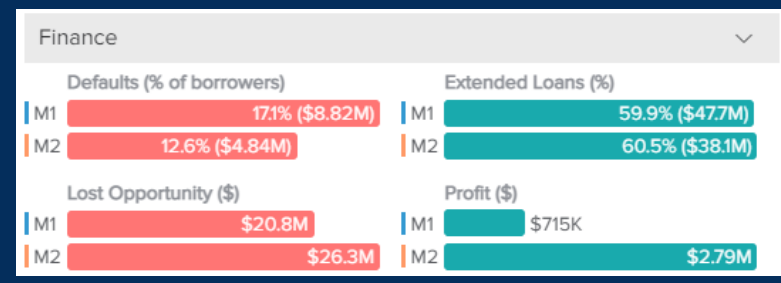
Compare model performance



## SEE BUSINESS VALUE

P&L  
Owner

Know how model drives results



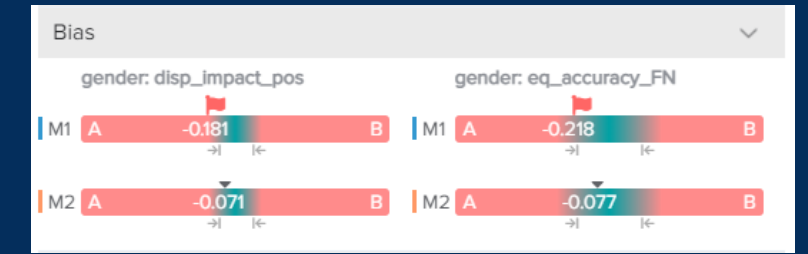
## ENSURE COMPLIANCE

Compliance  
Official

Understand each execution

Rules	All	Single case(s)	C000262	Protected
Rule_id	Definition	Reason Code		
R013	if annual_inc <= 50,000 and fav_color = 1	annual income, \$ too low; ...		
R005	if annual_inc < 36000 then loan_safe = fa	annual income, \$ too low		
R027	if revol_util in (49.5 .. 71.4) then loan_safe	revolving utilization over a...		
R017	if emp_length_num > 6 then loan_safe = t	length of employment, ye...		
R023	if open_acc <= 9 then loan_safe = false	number of open credit lin...		

Identify & mitigate bias



# Demonstrated Customer Results

Credit Risk Assessment

2.4x

Increase in loan approvals  
(with slight reduction in  
default rate)

In just three months

**LendKey**

Fraud Detection

3x

Reduction in false  
positives when  
detecting fraud

In just four months

**Aflac**

Credit Risk Assessment

12x

Faster model  
development and  
optimization

In just two weeks

**FUNNEL  
DASH**

# Fully Auditable Credit Risk Assessment Solution

COMBINE YOUR EXPERTISE WITH INSIGHTS FROM DATA

**Increase Approval  
Rates**



- ✓ SAY 'YES' to more customers
- ✓ BUILD TRUST with customers

**&**

**Minimize  
Risk**



- ✓ PROACTIVELY MITIGATE potential model biases
- ✓ MANAGE RISK in changing environment



# Key Differentiators of Stratyfy's Solutions

DELIVERING THE BENEFITS OF EXPERT SYSTEMS & MACHINE LEARNING



INTERPRETABLE



TRAINABLE



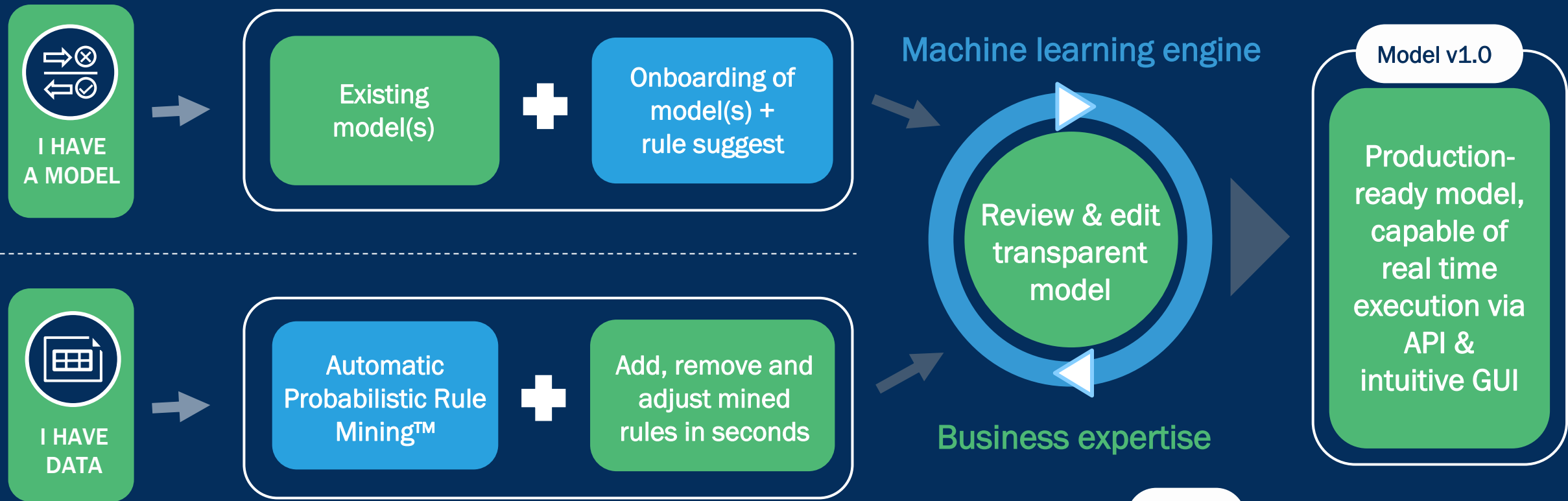
COMPLIANT



EASY TO ADOPT

# Two Easy Ways To Get Started

Starting Point ----- Initial Model Build ----- Calibration & Optimization --- Live model ->



Legend

Customer

Stratify Solution

# Customer Endorsements



“Stratyfy's results:

- Exceeded our expectations
- Are a game-changer to how we identify potential fraud”

Milan Trosclair

Manager, Compliance Fraud Analytics at Aflac

“Stratyfy operationalized my credit model within 2 weeks!

- We now have a tool to visualize rules, weights, and models
- Stratyfy’s AI model is epic”

Zach Johnson

CEO, FunnelDash



“Stratyfy’s platform is:

- Intuitive and powerful
- Explainable and controllable AI”

Samir Suri

Former Head of Product at LendKey Technologies



# Thank you!

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## Press Features



## Memberships and Awards



# Appendix

- ❖ Getting Started
- ❖ Frequently Asked Questions
- ❖ Management Team Overview
- ❖ Advisory Board Overview

# Frequently Asked Questions

## Q. Is Stratyfy selling off the shelf models?

A. No. All models built on Stratyfy can be fully customized to each client, whether these models are built with Stratyfy's proprietary Probabilistic Rules Engine ("PRE") or another algorithmic approach

## Q. Who retains ownership of all data and models?

A. The client

## Q. Who builds the models?

A. There are a number of different ways that models get into Stratyfy's Platform. The client can:

1. Build models directly in the platform
2. Import models into the platform
3. Use Stratyfy's engine to automatically build models from data

## Q. Do I need to learn a new language to build a model?

A. No. Stratyfy's intuitive GUI allows experts of all kinds – from data scientists to subject matter experts – build, test, deploy and monitor powerful models without writing a single line of code

## Q. How are models and data managed and permissioned in Stratyfy's Platform?

A. Through Stratyfy's Detailed Management and Governance Structure

# Our Advisors Bring Deep Expertise Across Disciplines



**Barry Glick**

Carillon Ventures, Multi-time Software Founder & CEO  
**Strategy**



Acquired by AOL  
Acquired by Nokia  
Acquired by Trimble



**Dan Quan**

Former Head of Innovation (Project Catalyst), CFPB  
**Regulatory Compliance**



**Michael Cherkassky**

McKinsey FinTech Digital  
**Strategy**



**Margaret Holen, PhD**

Partner, Data & Analytics, Goldman Sachs  
**BD & Research**



**Tobias Schaefer, PhD**

Financial Mathematics, CUNY  
**Core Engine R&D**



**Ben Levine**

Executive Partner, Ogilvy  
**Marketing & Branding**

