



AUSTRALIAN GOVERNMENT SME GUARANTEE SCHEME EXL CAPABILITIES



EXECUTIVE SUMMARY

Coronavirus SME Guarantee Scheme

- The Australian government announced a Coronavirus SME Guarantee Scheme that will support up to \$40 billion of lending to eligible small businesses impacted by the COVID 19 crisis. The scheme will enhance lenders' willingness and ability to provide credit.
- There is an opportunity for lenders to provide Australian small businesses, much required liquidity during these unprecedented times

Challenges for Lenders

- **Very high demand** for the program by Australian small businesses, potentially causing demand bottlenecks
- **Capabilities and capacity** must be created in the limited time to market to serve this program
- **Capital assessment and management** are under careful scrutiny due to the current climate

EXL ADVANTAGE:

EXLS

NASDAQ LISTED¹

\$2.1B+

MARKET CAP

32,600+

ANALYTICS+OPS PROFESSIONALS

\$991MM

2019 REVENUE

800+

CLIENTS

61

GLOBAL DELIVERY CENTERS
(US, EUROPE, PHILIPPINES, INDIA)

¹ Detailed financial information available at: <https://ir.exlservice.com/sec-filings/sec-filing/10-k/0001297989-19-000002>

EXL Value Proposition

- ▬ EXL can support the approved lenders with an **end to end** or **modular** agile delivery model across the program lifecycle
- ▬ Key components of our solutions:
 - **Digital and Analytics Capabilities:** Proprietary capabilities in underwriting , customer due diligence, information extraction, monitoring and reporting, bank statement mining, capital assessment, ad hoc analytics, and more
 - **Operations Management:** We ensure the right skills, training and capacity, both onshore and offshore, to manage the peak demand as well as the flexibility to scale down
- ▬ **Already enabled two leading global banks** in the US to effectively handle this one time high volume activity

[Reference:](https://treasury.gov.au/coronavirus/sme-guarantee-scheme) <https://treasury.gov.au/coronavirus/sme-guarantee-scheme>

SUPPORTING CORONAVIRUS SME GUARANTEE SCHEME

Key Enablers for Lenders

Given the focus of the program to provide liquidity to small businesses, speed and agility are critical to effectively support the program

KEY ENABLERS



OPERATIONAL CAPACITY

Demand for the program is expected to be high and volatile. Banks need to ensure:

- ▬ **Scalability** to perform key sales, servicing, and onboarding tasks
- ▬ **Flexibility** to scale down operations once volumes taper down

DIGITAL CAPABILITIES

Digital capabilities will be key to support the program for the following reasons:

- ▬ The current environment and constraints on offline interactions
- ▬ Ability to scale up to expected demand
- ▬ Integration with incumbent technology stacks



COMPLIANCE & RISK CONTROLS

The clarity on program details are evolving. Banks will likely be required to ensure that **program guidelines and requirements are addressed** primarily around eligibility, KYC and fraud checks

KEY BENEFITS

EXISTING CUSTOMERS



- Viable standalone program
- Exposure to losses split between lender and government
- Supporting customers during COVID 19, limited risk on portfolio
- Maintain customer loyalty

PROSPECTS



- Viable standalone program economics
- Rich data from new customers without any fraud or credit losses
- Ability to cross sell select customers

EXL ADVANTAGE: EXPERTISE AND SCALE

EXL has the expertise, focus, capabilities and understanding of the objectives to enable financial institutions support the Coronavirus SME Guarantee Scheme in a quick and scalable manner



EXPERTISE

- **Deep experience** across SME Lending
 - 15+ years of SME lending experience
 - Support across the customer lifecycle
 - Experience through financial recession
- Thorough **understanding of the scheme requirements, objectives, and procedures, as well as EXL's** subject matter expertise across **domain, analytics, operations and digital capabilities**



EXECUTION SUPPORT

- **Collaborative team** of advisors, functional experts, and operational team
- Operational team **can support program E2E** for application ingestion, documentation management, information extraction, and funding
- Execution teams will be distributed **onshore and offshore to enable scale, faster ramp up**, and around the clock loan processing
- Ability to **scale up and down** depending on the forecasted volatility in loan volumes



RELEVANT CAPABILITIES

- Deep expertise driven **proprietary capabilities to support automation and scale**
- KYC capabilities
 - Fraud investigation
 - eFab: Intelligent document ingestion, payroll assessment
 - Bank statement mining tool
 - Loan eligibility and calculator
 - Digital collection platform
 - Chatbots for self servicing, Q&A