



**DIGITAL CREDIT  
COMPASS**

# Platform User's Guide

Risk Scoring · Income Planning · Portfolio Analysis · Stress Testing

v1.0 · April 2026 · Approved Methodology · DCC Framework-1.0

# What is Digital Credit Compass?

A platform for scoring crypto yield providers and planning income strategies



## Risk Scoring

Every provider scored 0-100 using a deterministic, auditable methodology with CRO-approved weights.



## Income Planning

Three specialised Modules: BTC Collateral Lending, Treasury Strategies, and Stablecoin Yield.

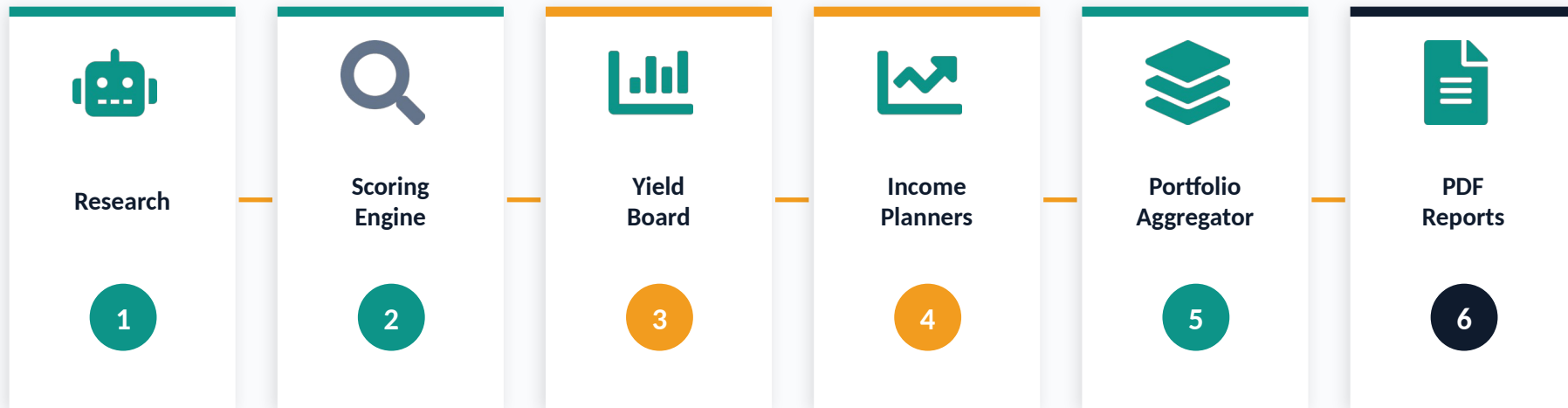


## Portfolio Analysis

Combine scenarios across modules. Stress-test, aggregate risks, and generate PDF reports.

# Platform at a Glance

How the modules connect — from provider research to your final PDF report



*Every score is deterministic — identical inputs always produce identical outputs. Scores are SHA-256 hashed and optionally anchored on-chain.*

# How DCC Scoring Works

Risk-approved deterministic methodology — DCC Framework-1.0

## The Scoring Engine

Each provider is evaluated across 5-7 criteria specific to its planner module.

### How it works:

1. Research done on each provider
2. Values mapped to buckets (e.g. "Tier 1", "High")
3. Buckets → 0-100 scores via Bucket Score Map
4. Weighted average = raw score
5. Duration multiplier adjusts risk score only
6. Hard caps may override (e.g. algo coin = max 20)
7. Score hashed SHA-256 for tamper-proof audit

## Risk Bands

|   |                  |          |
|---|------------------|----------|
|  | <b>LOW RISK</b>  | 80 – 100 |
|  | <b>MEDIUM</b>    | 60 – 79  |
|  | <b>ELEVATED</b>  | 40 – 59  |
|  | <b>HIGH RISK</b> | 0 – 39   |

# Understanding Risk Bands

What each band means for your investment decisions

**LOW**

**80-100**

Eligible for Guided Reference. No allocation cap. Strongest providers with proven track records.

**MEDIUM**

**60-79**

Eligible with advisory note. Solid providers — some risk factors identified but manageable.

**ELEVATED**

**40-59**

My Scenario only, maximum 30% allocation. Requires careful assessment before investing.

**HIGH**

**0-39**

Not included in Reference Scenario. Available in My Scenario with full-screen risk disclosure.

Empirical failure rates (2020-2025, 70 entities): LOW 5.6% · MEDIUM 21.4% · ELEVATED 0.0% · HIGH 100%

# The Yield Board

Your starting point — all providers ranked by DCC Score (never by APY)

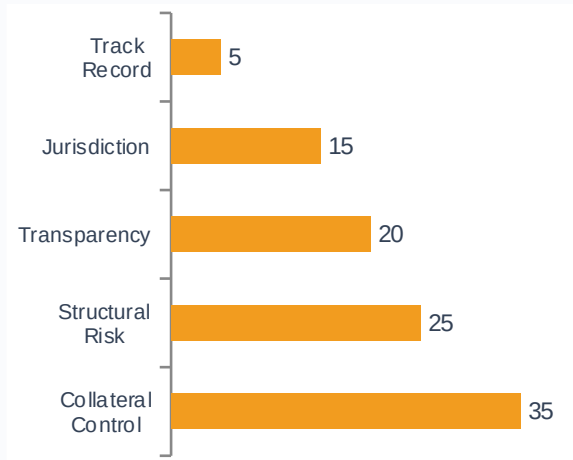
| Provider         | Module                 | DCC Score | Band     | APY Range  | Status |
|------------------|------------------------|-----------|----------|------------|--------|
| Ledn (Custodial) | BTC Collateral Lending | 87        | LOW      | 3.5 – 5.2% | LIVE   |
| STRF (Strategy)  | Treasury Strategies    | 74        | MEDIUM   | 10.0%      | LIVE   |
| USDC on Aave     | DeFi Stablecoins       | 82        | LOW      | 4.1 – 6.3% | LIVE   |
| Binance FZE      | CeFi Stablecoins       | 62        | MEDIUM   | 5.0 – 8.0% | LIVE   |
| USDe (Ethena)    | DeFi Stablecoins       | 48        | ELEVATED | 12 – 25%   | REVIEW |

**Key:** Sorted by DCC Score (highest first), never APY. Two modes: **Guided Reference** (score  $\geq$  60) and **My Scenario** (all providers with warnings).

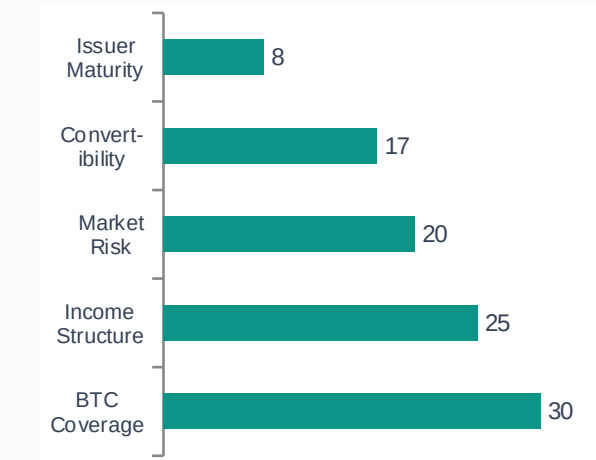
**Board Structure:** BTC → Custodial, Non-Custodial | Fiat → BTC Treasury Preferred Shares | Stablecoin → CeFi Platforms, DeFi Protocols

# Scoring Criteria by Module

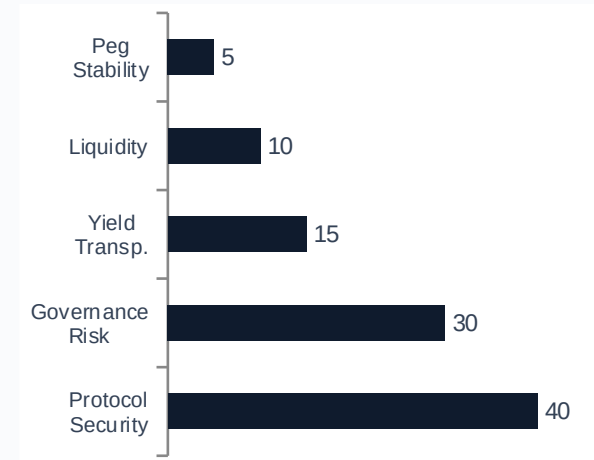
CRO-approved weights — what matters most for each provider type



**BTC Collateral Lending**



**Treasury Strategies**



**DeFi Stablecoins — DeFi**

Confidence < 0.70 on any criterion → worst-case score applied. All weights are CRO-approved constants (never modified without sign-off).

# BTC Collateral Lending

Earn income by lending Bitcoin — understand your LTV, margin calls, and liquidation risk



## How It Works

You deposit BTC as collateral to borrow fiat and earn interest income on the loaned funds.

### Key metrics DCC calculates:

**Loan-to-Value (LTV)** — how much you borrow vs. collateral value (default 50%)

**Margin Call Price** — BTC price triggering a collateral top-up alert (at 75% LTV)

**Liquidation Price** — BTC price at which collateral is force-sold (at 85% LTV)

**SRI (Scenario Risk Index)** — a 0–100 risk gauge specific to your setup

**BTC Required** — exact BTC amount needed for your loan

## Scenario Risk Index (SRI)



GREEN SRI < 40



AMBER SRI 40–69



RED SRI ≥ 70

*Formula:  $SRI = 100 \times (LTV \div \text{Liquidation LTV})^2$*

*Buffer = Liquidation LTV – Current LTV (in percentage points)*

# Treasury Strategies

BTC treasury preferred shares — fixed income backed by corporate Bitcoin holdings



## What Are BTC Treasury Preferreds?

Companies like Strategy (MSTR) and Strive issue preferred shares paying fixed dividends backed by BTC reserves.

**DCC evaluates using:**

**SDACR** — BTC Coverage Ratio net of senior debt. Main credit signal (30% weight).

**HV30** — 30-day historical volatility. Hard cap: if > 35%, market risk score capped at 5/100.

**Dividend Breakeven** — BTC price below which dividends are at risk. Alerts: amber (20%), red (10%).

**Convertibility Risk** — forced equity conversion risk (17% weight). No = 100, Yes = 40.

## SDACR Formula

$$\frac{(\text{BTC Holdings} \times \text{BTC Price} - \text{Senior Debt})}{\text{Total Preferred Obligations}}$$

| Ticker | Issuer       | Par   | Conv? |
|--------|--------------|-------|-------|
| STRF   | Strategy Inc | \$100 | No    |
| STRK   | Strategy Inc | \$100 | Yes   |
| STRC   | Strategy Inc | \$100 | No    |
| STRD   | Strategy Inc | \$100 | Yes   |
| SATA   | Strive Asset | \$100 | No    |
| STRE   | Strategy Inc | €100  | Yes   |

*FX Risk: STRE is EUR-denominated — income varies with EUR/USD rate*

# Stablecoin Yield

CeFi and DeFi stablecoin yield — with depeg protection and algorithmic caps

## CeFi Stablecoins

*Centralised platforms (Binance FZE, etc.)*

### Criteria scored (weights):

- Solvency Verification (35%)
- Liquidity (25%)
- Regulatory Accountability (20%)
- Yield Commitment (10%)
- Jurisdiction (10%)

*Binance FZE: floor = MEDIUM, rescore 2028-01-01*

## DeFi Stablecoins

*On-chain protocols (Aave, Ethena, etc.)*

### Criteria scored (weights):

- Protocol Security (40%)
- Governance Risk (30%)
- Yield Transparency (15%)
- Liquidity (10%)
- Peg Stability (5%)

*Algo stablecoin: score capped at 20*

*Depeg > 1.5%: forced HIGH band*

# Two Ways to Build Your Plan

Guided Reference for safety-first, or My Scenario for full control

## Reference - Illustrative

DCC auto-selects providers ranked by DCC Score.

- Only providers scoring  $\geq 60$  (LOW + MEDIUM)
- Top 3 providers auto-selected
- Weights: 70% / 15% / 15%
- Safe, diversified starting point

## My Scenario

You choose any providers and set allocations.

- All providers available (any score)
- ELEVATED: max 30% allocation
- HIGH: excluded + full-screen warning
- Custom weights — validated in real-time

*Tip: Start with Reference Scenario to see the engine's default allocation, then switch to My Scenario to customise.*

# Portfolio Aggregator

Combine 2–3 scenarios across different modules for a holistic risk view

BTC Collateral Lending  
Score: 87

Treasury Strategies  
Score: 74

Stablecoin  
Score: 82

Portfolio

81

LOW

## Portfolio Rules

**Activation gate:** At least 2 saved scenarios from 2 different Modules (BTC Collateral Lending, Treasury Strategies, or Stablecoin)

**Portfolio Risk Score:** Simple average of scenario scores, rounded to integer — scores are never re-computed

**Concentration warning:** Triggered if > 60% of total capital goes to a single provider across all scenarios

**Canonical order:** Reports always display BTC Collateral Lending → Treasury Strategies → Stablecoin regardless of when you created each scenario

**Duration multiplier:** Applied to RISK SCORE only — never to income projections

# Stress Testing

What happens to your score under extreme market conditions?



## Flash Crash

BTC drops 40–60% instantly. Tests margin calls, LTV breach, and score impact.



## Liquidity Ghost

Withdrawal queues freeze. Tests provider liquidity and withdrawal speed scoring.



## Systemic Depeg

Stablecoin loses peg by 2–5%. Tests depeg overrides and trajectory penalties.

Composite = Base Score  $\times$  70% + SRI  $\times$  30% | Hard caps (algo cap, depeg override) are NEVER suppressed

# Risk Reports & PDF Generation

Professional, audit-ready reports at both scenario and portfolio level

1

## Cover & Header

Report ID, date, DCC version

2

## Score Summary

Final score, band, visual gauge

3

## Criterion Breakdown

Per-criterion scores with weights

4

## Score Commentary

Ceiling/floor factors & point costs

5

## Income Projection

Expected monthly / period income

6

## Risk Notes

3-5 auto-generated risk warnings

7

## Stress Results

Scenario impact on composite score

8

## Legal Disclaimers

First-page + last-page clauses

*Reports never re-compute scores — they use locked, immutable snapshot data. Every score is SHA-256 hashed for tamper-proof verification.*

# Score Commentary

Deterministic, human-readable explanation of every provider's score

## Example Commentary

"STRF scores 74 MEDIUM. The ceiling is held down by two factors: **BTC Coverage Ratio** (SDACR at 7.3× but senior debt reduces effective coverage, costing ~8 pts) and **Market Volatility** (HV30 at 32% nearing 35% hard cap, costing ~6 pts)."

### What the commentary provides:

**Ceiling factors** — the 1–2 criteria dragging the score down the most, with approximate point costs

**Floor factors** — criteria providing the strongest support to the score

**Duration note** — "Raw 78 → 74 via  $\times 0.95$  duration multiplier"

**Band verdict** — gap to next band and what would need to change

*Fully deterministic — no AI involved. Same inputs = same explanation every time.*

# Hard Caps & Duration Multiplier

Safety mechanisms that override scores to protect against specific risk concentrations

| Hard Cap Rule              | Trigger                         | Effect                    |
|----------------------------|---------------------------------|---------------------------|
| Algorithmic Stablecoin Cap | Stablecoin type = algorithmic   | Final score capped at 20  |
| High Depeg Override        | Depeg > 1.5% in 90 days         | Forced HIGH band (0-39)   |
| HV30 Volatility Cap        | HV30 > 35%                      | Market risk score = 5/100 |
| Display Band Floor         | Provider-specific (Binance FZE) | Cannot score below MEDIUM |
| Low Confidence             | Any criterion confidence < 0.70 | Worst-case score applied  |

**Duration Multiplier:** Longer durations increase risk. The multiplier adjusts the **RISK SCORE ONLY** — never applied to income projections. Example: 12-month BTC Collateral Lending =  $\times 0.93$  on score.

# Alerts & Monitoring

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The platform continuously watches for score changes and market events



## Band Change Alert

Provider's risk band shifted (e.g. MEDIUM → ELEVATED). Triggers immediate review.



## Score Drift Alert

Score moved > 10 points in single rescore cycle. Investigate the cause.



## Dividend Proximity

BTC price within 20% (amber) or 10% (red) of dividend breakeven. Treasury Strategies only.



## TVL Drawdown Alert

Stablecoin TVL dropped significantly in 30 days. Converts TVL from lagging to leading indicator.



## Depeg Trajectory

Worsening peg stability detected ~5 days before HIGH override triggers. -15pt penalty if active.



## Rescore Trigger

Monthly check flags providers approaching mandatory rescore date. Actions: Review Now / 90 Days / Monitor.

# Getting Started — Your First Report in 5 Steps



From login to PDF in minutes

- 1 Browse the Yield Board** See all scored providers ranked by DCC Score. Filter by BTC, Fiat, or Stablecoin.
- 2 Choose a Planner Module** BTC Collateral Lending (BTC lending), Treasury Strategies (fiat preferreds), or Stablecoin (stablecoin yield).
- 3 Build Your Scenario** Use Guided Reference (auto-picks top 3) or My Scenario (full control). Set capital and duration.
- 4 Run Stress Tests** Test against flash crash, liquidity freeze, or systemic depeg. View composite scores.
- 5 Generate Your Report** Save scenarios → aggregate into portfolio → download professional PDF risk report.

# Quick Reference — Key Concepts

Keep this slide handy as you use the platform



|   |  |
|---|--|
| <b>DCC Score</b>                              | 0-100 deterministic risk rating. Higher = safer. Hashed SHA-256.                     |
| <b>DCC-Framework / BSM (Bucket Score Map)</b> | Lookup table converting categorical values to numeric scores (v1.0).                 |
| <b>Duration Multiplier</b>                    | Adjusts risk score (NOT income) for longer lock-up periods.                          |
| <b>SDACR</b>                                  | Senior-Debt-Adjusted BTC Coverage Ratio (Treasury Strategies).                       |
| <b>SRI</b>                                    | Scenario Risk Index — LTV-based quadratic risk gauge (BTC Collateral Lending).       |
| <b>HV30</b>                                   | 30-day historical volatility. Hard cap at 35% for market risk criterion.             |
| <b>Depeg Trajectory</b>                       | Early warning: slope > 0.003%/day = warning, > 0.005%/day × 10 days = -15pt penalty. |
| <b>Guided Reference</b>                       | DCC auto-picks top 3 providers (70/15/15 split, score ≥ 60 only).                    |
| <b>My Scenario</b>                            | User picks any providers. ELEVATED max 30%, HIGH gets full-screen warning.           |



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# Start Scoring. Start Planning.

Deterministic. Auditable.

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