

# A4E | Automated decision making

Case Study – Credissimo



## George Karpuzov

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### Quick Facts



**Industry:** short-term loans  
**Size:** 1 000 000 + loan applications  
**Revenue:** €37.5M // 2017  
**Web:** <https://credissimo.com>

### Usecase

AI powered and credit scoring automation

### Results

Number of applications processed without human intervention: **up to 80%** // Q1 2019

Credit inspectors staff: - **50%**

## Credissimo offers short-term loans

Established in 2007, Credissimo is a fintech company that offers unsecured short-term and installment loans for amounts between €100 and €1500 in Poland, Bulgaria, and Macedonia and is planning new markets entrance.

Due to fast-growing competition and the need for efficiency improvement within its business processes, the company defined following areas of improvement:

1. Increase the approval rate.
2. Reduce the human factor when deciding to grant a loan.

Solving these issues will increase the company's customer base and make it more efficient on an operational basis.

## The Solution

Credit scoring provided as real-time service, capable of assessing the creditworthiness of a loan applicant.

## The Approach

Credit scoring provided as real-time service, capable of assessing how risky is a loan applicant. In order to provide reliable automated credit scoring, which is learning from historical business data, additionally enriched with open data. To deliver reliable credit scoring, the risk appetite was defined and business rules were applied.

In doing so, our application identifies the factors affecting the probability of a borrower falling into default, which allowed us to offer sustainable and flexible solution powered by Machine Learning and Artificial Intelligence.

## Technical Implementation

The project goal is to create a real-time credit scoring service assessing real-time credit requests.

That's why we've developed an analytical application, which automatically generates a scoring model that can be subject of improvement and refinement by Artificial Intelligence and Machine Learning to periods of up to 2 weeks. If needed, the scoring model can be updated even on a daily basis.

The application incorporates the business expectations and rules in the scoring model and accounts for the outcome flags defining whether a borrower is good or bad, as well as optimal scoring values. Thus, an optimal selection of borrowers has been achieved against automated cutoffs scores, determined in accordance with the Credissimo's current risk and profit strategy.

The project was delivered to a client with a documented API of a real-time credit scoring service.

**Execution time:** 1½ months.

## The Outcome

Automation of decision-making process for loans approval.

- Real-time credit request assessment via credit scoring as a service.
- The scoring service assessment is backed up by the ranked reasons helping w.r.t. their importance helping credit inspectors to make a decision if human intervention is needed.
- Approval rate improvement opportunity according to the risk strategy.

## Achieved Benefits

- Operating costs reduction. The number of credit inspectors was decreased twice.
- Up to 80% of short-term loan applications are processed without human intervention (as of Q1 2019).
- Additional benefits and business opportunities:
  - Easier new markets entrance, where the business solely relies on a4Lending's credit-scoring service.
  - Complete automation opportunity for the entire business process – starting with the online application by transferring the loan to the customer bank account.

## The Feedback

*Based on our experience so far, we strongly recommend A4E Ltd., their analytical services and proficiency. For us, the company stands out as synonym for high-level professional standards, quality performance and tailor-made approach to the customer. The analytical capacity of A4E Ltd. is delivering an adequate, professional and truly skillful solution for any business problem in their field of expertise.*

George Karpuzov, COO Credissimo



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A4E is an artificial intelligence as-a-service (AI aaS) platform for hosting and deploying proprietary and third party data science analytical applications.

From coffee shops, through restaurants to wholesalers, A4E's vertical-tailored app is a strategic tool in sales forecasting, powered with a customizable reporting. Our on-demand **analytical framework** is tuned to the business specifics of the client.

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