

Predictive analytics consultation and model development solution facilitating enhanced, real-time retail credit application decisioning



Client

- One of the largest banks in the UAE providing a wide range of financial services including retail, corporate, wealth, investment, treasury and international banking
- Provides various flavors of credit cards, personal loans, auto loans, home loans and smart loans as part of its retail loan offerings

Need

- Create a product specific scorecard to aid in decision making pertaining to new applications
- Create a robust data repository
- Devise a system for uniform assessment of all applications for a particular product type
- Deploy a rules engine to validate key applicant information and filter applications on pre-defined criteria

Approach

- Enhance the client's internal risk management on their retail portfolio through automation of the entire credit approval process
- Build statistical application and behavior scorecard for accurate decisioning and regular validation of scorecards based on historical data

Results

- Robust statistical retail application scorecards for managing real-time credit decisioning
- Behavior scorecard to analyze the performance of customers based on past behavior
- Workflow system to streamline the credit process through standard policy and rules engine
- Enhanced credit portfolio monitoring and control
- Portfolio monitoring to identify customers with high risk and take necessary exit steps

Complete retail credit rating solution for improved credit risk management and control

D&B met all the business challenges and supported the client's strategic vision on retail lending through its solutions on Predictive analytics and Credit decision management. D&B's offerings provided a complete solution that met the client's strategy on improving their credit risk process.

D&B's automated retail credit scoring solution for better credit decisions

The implementation included integration with the client's core banking software for providing real-time application scoring and customization work to the client's specific requirement related to behavior score calculation of various products.

The D&B solution included development of:

- Application scorecards for credit cards (multiple variations based on scheme and product offerings)
- Personal installment loan (resident and expats)
- Smart loans against salary
- Auto loans
- Home loans

By leveraging D&B's industry experience in the region, the client was able to get accurate, real-time scores facilitating instant decisions on credit application. The solution also comprised development of behavior scorecards based on past delinquency and creation of custom procedures for the client based on customer profile and product offering.

D&B models are used more often than any other scoring system:

- 86% use D&B's Commercial Credit Score
- 61% use D&B's Financial Stress Score
- 21% use D&B's Industry Specific Scores

D&B's proprietary scoring models are used not only by lenders, but also by business owners, government institutions and prospective investors

Integrated retail credit portfolio management for efficient credit decisioning

D&B's retail credit decisioning solution 'Tracer' helped the client configure policies and business rules, scorecards for decisioning, access controls, workflow process, robust MIS reporting and interface with core banking for real-time application decisioning and provisioning of behavior scores on cycle dates. By enabling customer credit portfolio monitoring, the solution enabled the client to control and manage their credit portfolio effectively in real time.