



AI-powered Credit Process per lo SME Lending

Innovazione, Rischio e Crescita

Alida Popescu

Customer Advisory Senior Manager Risk Practice CEE – SAS

Anselmo Marmonti

Vice President, Risk, Fraud and Compliance Solutions - SAS



Credit Process – Trends & Challenges

CONTINUOUS HIGH SHAREHOLDER EXPECTATIONS¹



+ KEY DRIVERS

- Address under-served retail segments
- Target higher margin SMEs and Corporates
- Shift to capital-light, model fee-based

- ATTENTION POINTS

- ‘Sticky’ behavioral assumptions risk models
- Risk concentration in SMEs, households,..
- Refinancing needs SMEs at higher interest rates may trigger defaults

INCREASED REGULATORY PACE & DISCIPLINE

- BCBS 239, including DQ, DL, DG, Control Validation & Continuous Monitoring
- MRM and EU AI Act
- ECB scrutiny IRB Modeling & IRRBB
- Basel III / IV: Normalized equity ↑ 12% of RWA + RWA floors

IMPROVE EFFICIENCY

ENSURE COMPLIANCE

REDUCE COST FOR COMPLIANCE

INCREASE CAPITAL EFFICIENCY

INCREASED MARKET VOLATILITY

- Geopolitical uncertainties
- Tariffs and trade shocks
- Uncertain ECB interest rate
- Potential resurgence of inflation
- Increased competition on Retail
- Granting model shelf life ↓

GROW REVENUE AND MARGIN

REDUCE COST OF RISK

OPTIMIZE CREDIT PORTFOLIO STRATEGY

IMPROVE RISK OPS COST EFFICIENCY

¹ Source: ECB Banking Supervision
² Systemically Significant Institutions

SAS Approach - AI Credit Process Optimization



Transforming Credit Risk Process with SAS

Recent SAS experiences

UK G-SIB



Objectives

- Consolidate customer's strategies running on legacy *Provider1* decisioning system for originations and *Provider2*'s system for customer management including collections, together with fraud on single, integrated enterprise decisioning platform

Outcomes

- 25% reduction in total cost of ownership
- Model life cycle reduced from 6 months to 2 weeks
- Expected ROI of 10 times investment
- [Modernizing lending decision systems at Europe's largest bank - SAS Voices](#)

Legal Entity of Spanish G-SIB



Objectives

- Integration of data and credit processes running on multiple legacy platforms
- Accelerate time-to-market for new credit decision strategies
- Reduce reliance on vendor support (*Provider1*) for strategy changes

Outcomes

- 300% increase in strategy changes to align with market evolutions, leading to bad debt reduction and higher approval rates
- 79% reduction in infrastructure costs through consolidation of platforms
- Increased platform stability resulting in 0% downtime since go live

European Bank



Objectives

- Integrate E2E process, optimize usage of multiple risk models
- Integration with NLP and OCR as part of the process.
- Reduce Manual Process

Outcomes

- Fully automated credit decisions for SME and Commercial lending customers.
- FTE reduction by 80%.
- Time-to-decision 1 min.
- Time-to-money 3 mins
- Personalized credit product offering with multiple terms and conditions offer.

UOB



Objectives

- Through acquisition, needed to integrated two businesses
- Risk appetite and level of process automation differed across the businesses due to one being secure lending vs unsecured lending
- Desire to implement a single risk decisioning solution that could manage both types of portfolios

Outcomes

- Acceleration of credit strategy changes resulted in shorter time to market for new products
- Collections cure rates improved by 10%
- Shadow Limit 12% compound annual growth rate CAGR increase in Ending Net Receivables (ENR)



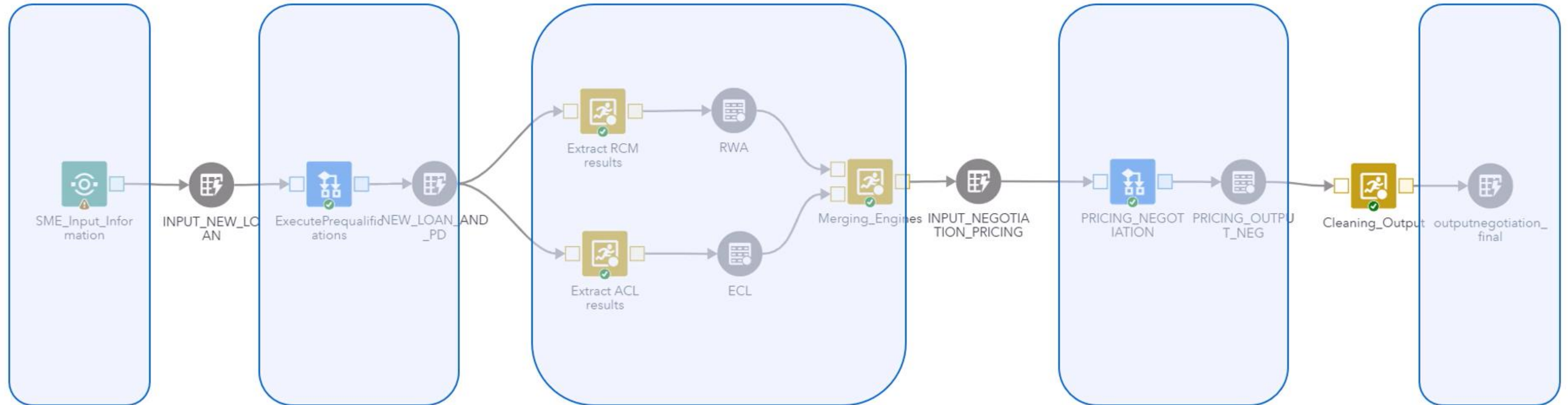
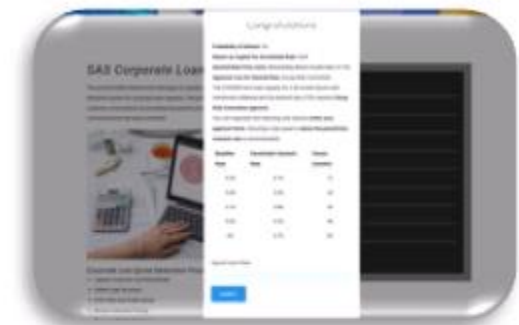
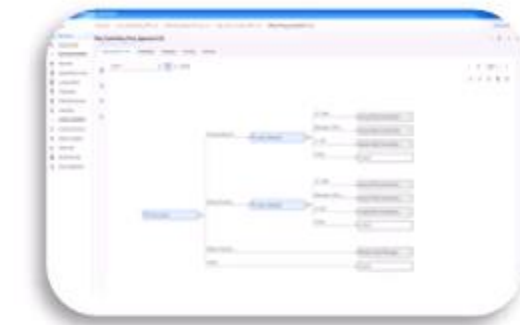
UI to Get Loan Information

Pre-Qualifications and PD Calculation

Bank Goals per customer RWA & Collateral Allocation

Pricing Optimization & Negotiable Offer

Output for Negotiation





Grazie!

alida.popescu@sas.com
anselmo.marmonti@sas.com

