Zencode CASE
**STUDY**

**ZENCODE**

Helps create better credit risk modelling for crowdfunding lending

# Create Automated Credit Risk Scoring for Better Decision Making

To fix the **lack of a consolidated dataset** in SMEs lending industry.

To provide a **machine learning in the box** that lenders

# AT A **GLANCE**

**Fintech**

Initially starting as a crowdfunding platform to match borrowers and lenders, the client moved towards providing financial assessment tools to give investors greater insight into the risks of the borrowers they were lending to. The client needed a tool that actively monitored accounting systems to provide automated credit risk scoring

With Zencode it was able create a customised credit scoring system integrated to the an cloud accounting software provider to ensure that users of the platform were able to get visibility into the potential borrowers.

CASE STUDY

# SERVICES



**SAMPLE CAMPAIGN**
| | |
|---|---|
| Issuer | : XYZ Pte Ltd |
| Target Amount | : $100,000 |
| Target Interest Rate | : 10% p.a. |
| Repayment Type | : Equal Installment (12 Months) |

$5,000  $45,000  $35,000  $30,000  $2,000  $10,000
6%       7%        8%        9%        10%     12%

REGISTERED INVESTORS
voluntarily submit offers

ELIGIBLE - Offers are at or below
the target interest rate

NOT ELI...
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$5,000  $45,000  $35,000    $30,000    $2,000
6%       7%        8%          9%          10%
          FULL                PARTIAL      NONE

$15,000    $0

9%

The last allocated investor
sets the rate of the entire note

E.g. Eveyone gets 9% p.a.

Once acceptance is triggered,
system auto-allocates
by the lowest interest rates
offered by investors

*Maximum issuance is capped at the issuer's requested amount.*

ISSUER ACCEPTS
eligible offers

Industry        : FinTech
Location        : ASEAN
Employees       : 30
Services        : Credit Risk Modeling, Customised
**Development**

CASE STUDY

ZENCODE

# THE **ORGANISATION**



ZENCODE

Founded in 2013 and licensed by the Monetary Authority of Singapore with a capital market services license , they aim to connect established businesses seeking loans for capital expansion, equipment purchases or other needs to the broad investor community. They are motivated in addressing the gaps in access for funding and investing for small businesses and everyday investors.

They hope to contribute towards fostering a culture of entrepreneurship and to promote a more inclusive financial system.

# THE **CHALLENGE**

Faced with the challenge of creating a robust credit scoring tool and integrating that back to their accounting software packages.

With so many different businesses with different credit scoring needs and model fit, it was difficult for the client's team to determine the most ideal model to help their investors match their risk appetite.
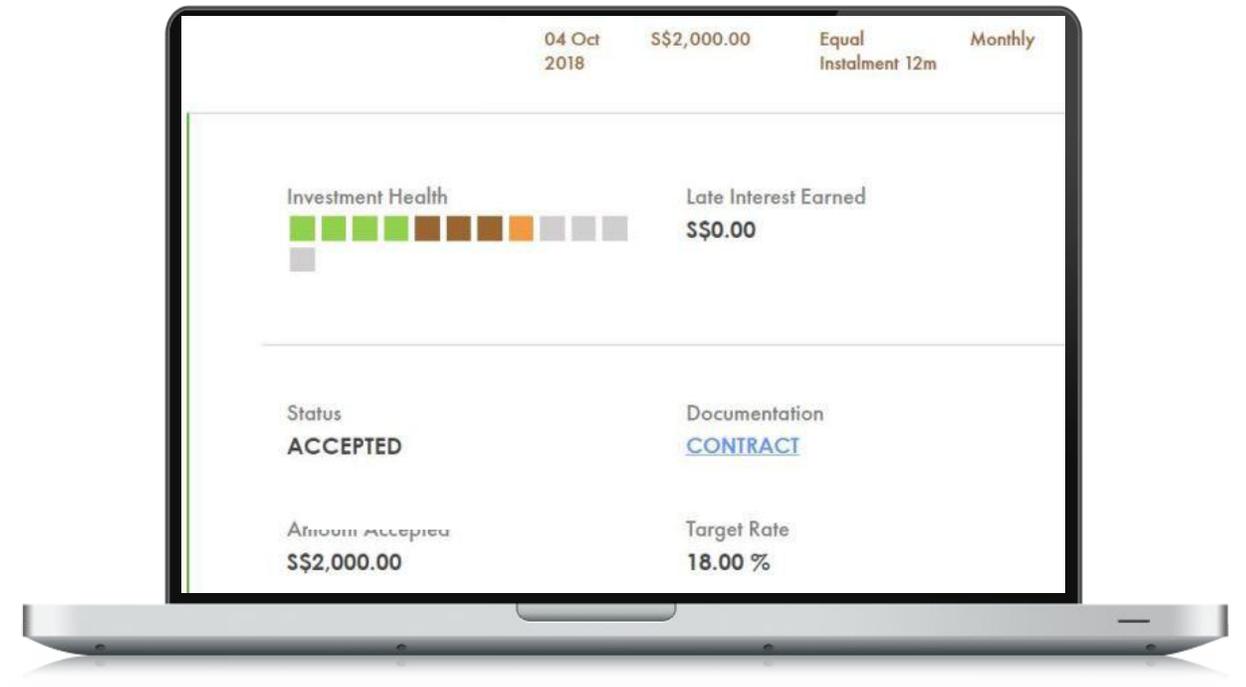
Further to this Zencode helped to integrate a popular cloud based accounting software into the system, allowing for live data that gave better information to investors and lessened the manual work for borrowers to submit their applications.

# THE
# SOLUTION

## To use Zencode's capabilities in Credit Scoring and System Integration

To use Zencode's capabilities in Application Development with Web Applications. Zencode developed an app for the cloud accounting software and used data analytics techniques to sift through data from different industries. It was then able to create a Investment Health matrix and show that relevant data for decision making. Through this Zencode was able to increase investor confidence and uptake in providing loans.



04 Oct 2018    S$2,000.00    Equal Instalment 12m    Monthly

Investment Health

Late Interest Earned
S$0.00

Status
ACCEPTED

Documentation
CONTRACT

Amount Accepted
S$2,000.00

Target Rate
18.00 %

ZENCODE

# With *Zencode's* Expertise:

With Zencode's Services, client was able to push out a credit risk scoring system to specific industries that helped increase their business by 200% YoY, with investors on average putting in 20% more money into their first investment on the platform compared with previously.

Zencode is able to not just program your application but also provide a consultancy layer to help with financial modeling and also integrate your application back to third party data sources..

CASE STUDY

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Annualized Risk Adj. Return[2]
(Projected)

## 16.45%

Your portfolio is performing better than 69.00% of all investors.

**69.00%**

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Investment Summary

## S$ 260.21
Total Interest Received
(Principal + Interest Received: S$ 2,442.56)

## S$ 3,372.28
Total Account Value

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