

CREDIT CARD DEFAULT

SOTA Ensemble Approach to Default Prediction

Background

A global credit card issuer wanted to predict future credit card default based on customer and statement data

Why Choose Cloudcraftz?

- EXPERIENCED PROFESSIONALS WITH MULTI-DECADE BUSINESS EXPERIENCE
- HANDS-ON PROJECT INVOLVEMENT BY PARTNERS
- PROVEN FAST PROTOTYPING-SOLUTIONING APPROACH
- RELENTLESS FOCUS ON INNOVATION AND TECHNOLOGY MANAGEMENT
- SUCCESS-BASED ENGAGEMENT MODELS TAILORED TO CLIENTS' NEEDS.

Outcome

Default prediction accuracy of **80%** was achieved.



Requirement

- Adaptive/learning model to predict card default with higher accuracy than traditional models.
- 450,000 customers across 188 variables over 13 months of statements per customer.

Solution

- Feature engineering to transform and distill the data
- Trained ensemble-based machine learning models.
- Default prediction accuracy of 80%.

Benefits

- The issuer is able to better manage the risk in credit card portfolios
- The model has been constantly learning and reinforcing itself leading to higher accuracy over time.