

## Credit Scoring

*[www.stachanov.com](http://www.stachanov.com) & [www.argos-finance.com](http://www.argos-finance.com)*

*Amsterdam, Februari 2015*

STACHANOV  


Stachanov is active in the development of simple banking systems for the microfinance industry. Microfinance institutions (MFIs) provide credit to entrepreneurs in developing economies and play a crucial role in propelling economic growth and poverty reduction. These systems are marketed under the trade name Argos. More information on Argos can be found at [www.argos-finance.com](http://www.argos-finance.com).

Most of the credits disbursed have a relatively low monetary value. Due to the high costs of screening the credit worthiness of the loan applicant and the validity of the business proposal, the interest rates in microfinance are steep.

Stachanov applies statistical methods to develop decision support systems that help the MFI's lending officer to distinguish between low and high default risk when assessing loan applications. Those applications that receive a green light from both the lending officer and the automated credit scoring can be signed off immediately for disbursement. Only the applications for which the automated credit scoring and the lending officers have different views are submitted to the credit committee for further research and discussions. Thanks to the automated scoring the majority of the applications can be processed quickly at lower costs. Eventually, this efficiency gain is reflected in the interest rates charged.

Stachanov uses naïve Bayesian and Bayesian network methods to create the scoring models. These models are generated on the basis of historical loan portfolios in which the defaults are known. Currently, Stachanov is running pilot projects with MFIs and smaller commercial banks in Kenya, Laos, and Guyana.

**Stachanov wishes to improve its data analysis and modelling skills using big data.**

**We are looking for a BSc student with strong skills in the fields of data mining, applied mathematics and statistics who within the framework of a business internship can help us to build better and more effective credit scoring models.**

**This will help the student to see first-hand how academia and business intersect and us to benchmark and sharpen our thinking as we expect to be challenged ...**

Call André Koch 06 51185564 or [andre@stachanov.com](mailto:andre@stachanov.com) for further information and applications.