

# Line Management for Profit Optimization

## Background & Challenges

Our client, a leading super-regional bank in the United States historically leveraged a combination of FICO scores and business rules to drive credit limit increase (CLI). This approach faced limitations due to latency issues with FICO scores as well as low risk customers in near-prime and prime segment being missed out.

## Objective

Develop an AI/ML-driven framework to automate proactive credit line increase and generate incremental revenue.

## Approach

We deployed hybrid machine learning and rule-based system leveraging credit bureau, demographic, transactions, and card PnL data to identify optimal credit limit for near-prime and prime customers with low levels of risk.

## Solution

- **Reward-Risk Scorecard:** Developed ML based scoring model to calibrate probability of default (PD) and Expected Spend by iterating over possible CL \$ Limits as range
- **Data Driven Decisions:** Rule based engine to calibrate and maximize Customer Profitability as function of Expected Loss (from PD) and Revenue (from Expected Spend)
- **Population Selection:** Following business constraints were applied as below:
  - FICO Score > 620 and < 720
  - Profitability Criteria: Utilization > 10%
  - No Balance Transfer, CLI, CLD action last 6 months

## Key Results

~\$6M

Estimated increase in annual revenue

## About Straive

As a data analytics and AI operationalization company, we don't just build top-tier data analytics and AI solutions—we integrate them seamlessly into your core workflows. This approach drives enhanced efficiency, improves user experience, and boosts revenue, setting you apart from the competition.

Serving a diverse range of industries—including Pharmaceutical & Life Sciences, Logistics, Supply Chain & Manufacturing, Research & Publishing, Information Services, EdTech, Banking & Financial services, and Retail Tech, Entertainment & Media—we have a global client base spanning over 30 countries.

Our strategically positioned resource pool operates across seven countries, including the Philippines, India, the United States, Nicaragua, Vietnam, the United Kingdom, and Singapore, where the company is headquartered.