



Krea
Företagslån

Klarna
Kosma.



How Krea used Kosma's Open Banking to increase loan applications by 28%.

Krea, a specialized marketplace for SME financing, is constantly on the lookout for innovative ways to improve the efficiency of the digital loan application process. For the Stockholm-based lending solution, accurate customer data is crucial. Without it, the platform cannot build representative customer profiles to help lenders make fair risk assessments. Enter Klarna Kosma and its Open Banking solution. Leveraging Kosma's unbeatable bank connectivity, Krea is now able to gather bank data easily using the banks' PSD2 APIs.

The data quest: supercharge customer profiling.

The Krea platform facilitates digital loan applications across multiple lenders, offering an intuitive comparison tool to support SME decision-making. It connects the largest network of lenders in Sweden - exposing SMEs to a catalog of loan offers and a vast range of loan terms to suit their specific needs, for free. For lenders, Krea provides direct access to a growing pool of potential customers and an invaluable database to support sales teams with structured data. By connecting to Krea's platform via an API or by placing manual bids on its intuitive interface, they gain access to a cost-effective, low-risk approach to assessing loan applications.

But how could this be supercharged? Krea's mission was to double-down on its data-orientated approach by streamlining the process of collecting customer

account information. Specifically, it wanted to collect transaction-level data from SME bank accounts so it could provide up-to-date insights about their financial position at any given time.

Having this real-time access to transactional information would allow lenders to build a dynamic assessment of loan applications and analyze business performance with pinpoint accuracy. This insight has become even more relevant over the past two years as lenders have found it hard to assess the full impact of the Covid pandemic on their (potential) clients' businesses. But, despite this obvious need, many companies found it too time-consuming to provide insights into their transactional data to the Krea platform.

“Manually uploading transaction-level data is cumbersome – preventing many small businesses from including it in loan applications”

– Carsten Leth, Krea's Chief Commercial Officer

The solution: Klarna Kosma.

Through its Open Banking connections, Kosma provides just that – an integrated, reliable solution on which to process data flows between business bank accounts and regulated lenders on an intuitive platform. Using Kosma's Account Information Services (AIS), Krea can now gather bank data easily using the banks' PSD2 APIs.

Similarly, where the banks lacked Open Banking capabilities, Kosma made it possible for Krea to gather data by connecting directly to the customers' online banking interface.

By plugging into the power of Kosma, Krea now uses PSD2-powered data sharing to reduce manual processes, incentivizing customers to share their transactional data with minimal barriers.

This resulted in a 5-fold increase in the proportion of loan applications supported by bank account data.

x5

increase in proportion of loan applications supported by bank account data.

≈2%

of all the loan applications included structured Open Banking data from the clients' bank accounts, before the partnership.

+9%

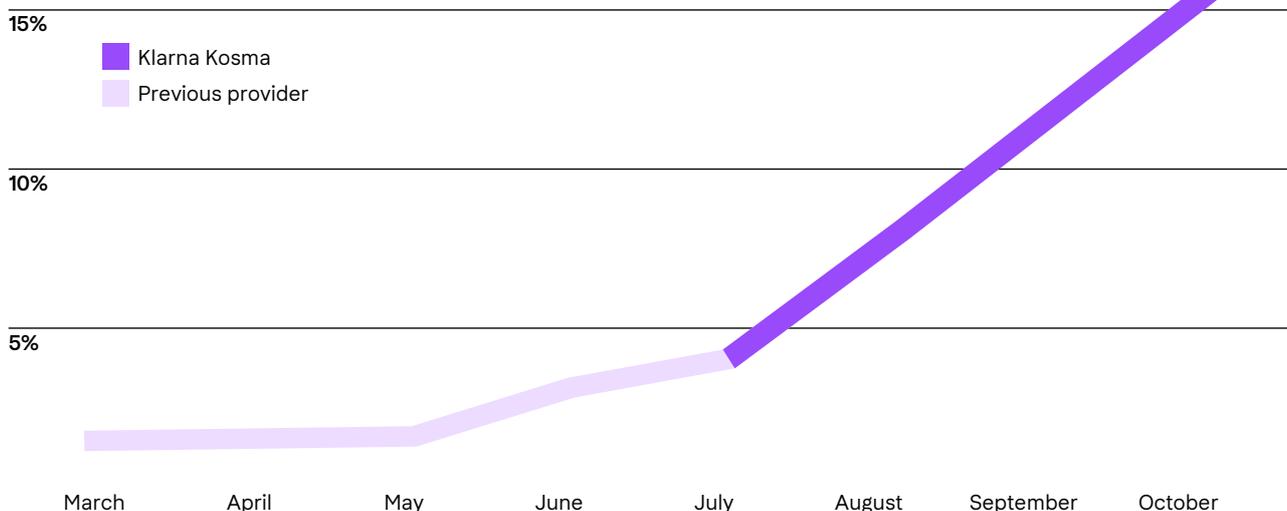
within only two months of integrating Kosma, this figure had jumped to 11%.

+28%

total increase of Krea's loan applications that included banking data after switching to Kosma, combined with PSD2 and manual banking data.

Figure 1

Percentage of loan applications where Banking Data was added.



The outcome: lower interest rates & higher approved loan amounts.

Without PSD2 bank account data, lenders must evaluate companies based on outdated and inaccurate credit risk scores and this leads to over-conservative lending behaviour.

Access to up-to-date information from Kosma's solution has helped Krea's lenders assess companies based on their current financial situation and improved confidence in their lending decisions leading to:

4%

lower average interest rates on loan offers for small businesses that provide account access.

15%

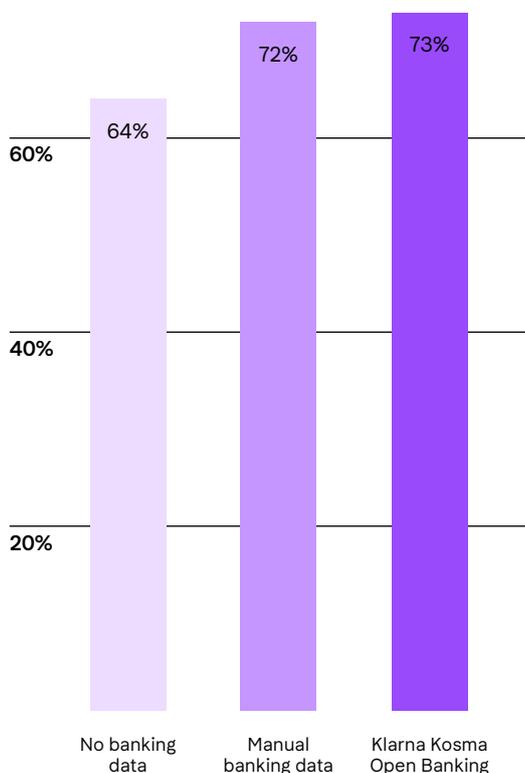
higher approved amounts on loan offers for the average company that provided banking data, compared to companies that did not provide any banking data.*

9%

higher approved loan amounts for small businesses with weaker credit scores versus those companies who chose not to provide PSD2 data.

Figure 2

Share of requested loan amount approved (UC risk class 1-3).



“Following the Covid pandemic, it has become even more important for lenders to assess companies based on their most recent cash flows. Kosma's Open Banking solution enables us to help more small businesses get access to finance at better rates.”

– Carsten Leth, Krea's Chief Commercial Officer

This is particularly true for small businesses with weaker credit scores, he adds. Companies with a UC credit score of 3 and below, for example, had a significantly higher approval rate of 73% of the requested loan amount compared to 64%, a 9% increase.

As illustrated in figure 2, for these companies there seems to be a significant benefit of using structured Open Banking data compared to a manual upload of banking data or no.

*After reviewing 5000 loan applications, Krea found the average company that provided banking data (approximately 800 companies) received an increased approved loan amount of SEK 328000, compared to SEK 286000 for companies that did not provide any banking data.

Krea notes Kosma's commitment to enriching customer experiences as a key success factor in the deployment of this technology. The widespread uptake of PSD2 data shared by Krea's customers is extremely encouraging and the impressive results felt by the SMEs demonstrate how data democratization can improve financial access for business owners.

The future is bright.

Krea continues to embrace Open Banking to improve data visibility and streamline digital loan applications. Its partnership with Kosma represents a united effort to build a fairer and more accessible lending landscape.

“Klarna Kosma is more than an integrator to us – it is a strategic partner that can help us reach our targets and add value to our customers.”

– Carsten Leth, Krea's Chief Commercial Officer



Get in touch with the Klarna Kosma team today to see how we can supercharge your Open Banking-powered ambitions.



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