Credit providers need to understand how COVID crisis affected their counter-parties and customers in order to better manage risk exposure and reduce losses. Current scoring models are unable to fully answer these needs as they were developed on pre-crisis data and need time to adjust to new conditions.

Creditinfo has developed synthetic COVID Impact score that combines short- and long-term industry impact outlook and company’s bureau credit score. This score helps identifying companies that were most hit by COVID crisis and will likely have solvency problems in the nearest future. Credit Providers can then use this information to design and execute a focused set of actions.

Important components included in scorecard are industry assessments, (reflecting impact of COVID-19 on the industry,  its counter-measures and government support) in combination with company’s general information, credit history, financials and other data.

The crucial part ensuring proper forecasting of risk is industry assessment components where we work with following measures;

* Assessment is expert based with some statistical adjustments
* Each industry is assessed by seven different dimensions that capture different sides of business (operations, financials etc.)
* Impact assessment in each dimension vary from 1 (weakest) to 5 (strongest)
* Overall industry impact score is calculated as average of scores across all seven dimensions. Higher values correspond to higher risk

COVID-19 models were already successfully launched in Baltic markets (Latvia, Estonia) and in Iceland and are replicable.