

# Responsible AI in Lending

## From Compliance Burden to Competitive Edge



**Caronne**

DIGITAL FINANCE CONFERENCE 2025

Jan Kamphuis

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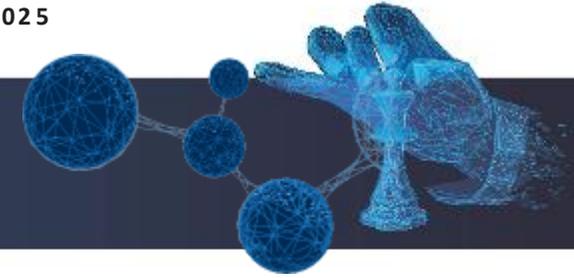
## Agenda

1. Introduction
2. Responsible AI in Lending: The Use case
3. Impact Regulations on Lending Models
4. Data as the Foundation of Responsible Lending
5. Responsible AI as a performance accelerator
6. Q&A

## Responsible AI in Lending

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# Introducing Caronne

## Who we are

- Strategic AI solutions for finance
- Specialists in data-driven performance improvement
- Working with financial institutions, regulators & data teams
- Independent advisory + implementation — direction *and* delivery

**CARONNE**  
*Reveals the power of your data*



# Lending Is Evolving Faster Than the Rules Can Keep Up

## Why This Topic Matters Now

- Strong pressure to optimise underwriting & collections
- AI layered onto credit engines: microsignals, behaviour models, early-risk detection
- Rise of micro-term lending: BNPL, embedded finance, instant credit
- Growing regulatory expectations: AI Act, GDPR, audits, explainability
- Compliance is no longer back-office — it drives product design
- Model risk is increasing → institutions need clarity



# Where Responsible AI Fits in the AI Landscape

## What Responsible AI Really Means

- **GenAI** → text, summaries, content (powerful, but not for underwriting)
- **Agentic AI** → workflow automation (useful in ops, not core to risk)
- **AnaAI** → analytical models: risk scoring, affordability, forecasting
- **Responsible AI** → the layer that ensures trustworthiness, governance  
& fairness across them



# The Regulatory Landscape for Lending Models

## The Regulatory Framework Around AI & Data

### ➤ **General Data Protection Regulation (GDPR)**

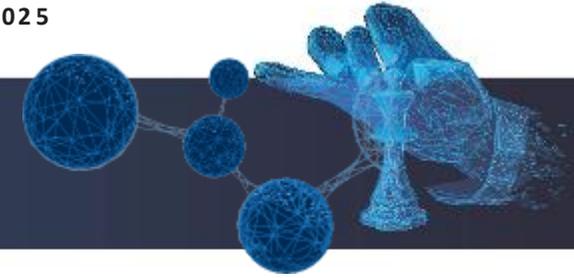
Governs personal data and fairness, transparency, explainability

### ➤ **Digital Operational Resilience Act (DORA)**

Requires digital operational resilience & e2e ICT governance

### ➤ **EU Artificial Intelligence Act (AI Act)**

World's first AI law: risk-based controls, DQ demands, monitoring



# The Practical Impact on Your Credit Models

## What These Regulations Mean for Lending Models

- **Credit scoring = high-risk AI (AI Act)**
- **Data must be demonstrably accurate (GDPR + AI Act + DORA)**
- **Explainability required at model-level and customer-level**
- **Full traceability & auditability (DORA + AI Act)**
- **Fairness & bias mitigation must be measurable**
- **Data lineage & governance determine whether AI can scale**



## Without Reliable Data... There Is No Responsible AI

### The Hidden Core: Data Quality

- **Inconsistent datasets → incorrect risk estimates**
- **Outdated customer information → bias or wrongful rejections**
- **Manual work & Excel patches → no traceability**
- **Missing lineage → “Where does this number come from?”**
- **Poor orchestration → “Where is this calculated?”**



# Data Governance as the Foundation of Responsible Lending

## The Role of Data Governance

- **One clear customer & product view**
- **Defined ownership of data concepts**
- **Shared data standards for risk, pricing & compliance**



# From Black Box to Transparent Decisioning

## Explainable AI: What It Looks Like

- **Documenting model choices: features, logic, risk assumptions**
- **Explaining decisions at customer level: affordability, rejection reasons**
- **Explaining model behaviour: bias, drift, fairness**



## A Roadmap That Delivers Compliance and Value

### Roadmap: Responsible AI That Improves Performance

- **Assess risks & data quality**  
→ Better decisions, fewer errors
- **Strengthen data governance & definitions**  
→ Faster reporting, less rework
- **Use explainability-first model design**  
→ Better scoring, less bias, higher acceptance
- **Implement monitoring & feedback loops**  
→ Faster detection of drift, lower default
- **Apply AI as a performance engine**  
→ Smarter pricing, stronger risk management, higher efficiency



## What Responsible AI Can Deliver in Lending

### Real-World Impact (Anonymised)

- **Predictive risk scoring → 14% more accurate, fully explainable**
- **Data cleanup & governance → 22% fewer customer-record errors**
- **AI-driven early-warning signals → fewer defaults, better customer journeys**



## Three Quick Wins That Create Immediate Value

### Three Actions You Can Start Tomorrow

- **Map your data quality**
  - instant clarity on hidden risks & leakage
- **Define one unified data & model framework**
  - less bias, fewer exceptions, clearer monitoring
- **Run a small explainable-AI pilot in one lending process**
  - faster, smarter, fully compliant decisions

# Q&A

Curious what Responsible AI could deliver for your lending process? Visit us at our stand.



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## On dfc-site

**Title: Responsible AI in Lending: From Compliance Burden to Competitive Edge**

**Subtitle: Responsible AI in Credit Decisions: Turning Regulation into Advantage**

**Best fit:** *Hall 2, Session 1 (“Lending in Transition — From BNPL to Embedded Finance”)*

**Why:** This aligns perfectly with the panel themes (AI Act, explainability, risk & compliance).

**Focus:** How financial institutions can go beyond regulatory compliance and leverage data quality and explainable AI to make better credit decisions, faster.

### **Outline:**

- The EU AI Act and what it means for lending models.
- Why data governance is the hidden foundation of Responsible AI.
- Building explainability into model design: from risk scoring to affordability checks.
- Case examples: using AI to improve compliance *and* customer experience.
- Practical roadmap: how to evolve from compliance readiness to competitive advantage.



# Caronne in a nutshell

INDEPENDENT

DATA X FINANCE

DIRECTION DECISIVE

RESULT DRIVEN

EXPERT DATA ENGINEERING

DATA WAREHOUSING

FINANCE EXPERTISE

DATA GOVERNANCE

DATA INTEGRATION

CARONNE REVEALS THE POWER OF YOUR DATA

DATA SCIENCE

INTELLIGENT AUTOMATION

AGENTIC PROCESS AUTOMATION

BIG DATA

ARTIFICIAL INTELLIGENCE

ADVANCED ANALYTICS

WORKING DATA DRIVEN

RESULT IMPROVEMENT

DATA DRIVEN STRATEGY

BUSINESS INTELLIGENCE

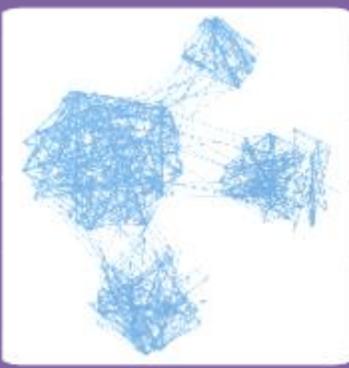
TOOL SELECTION



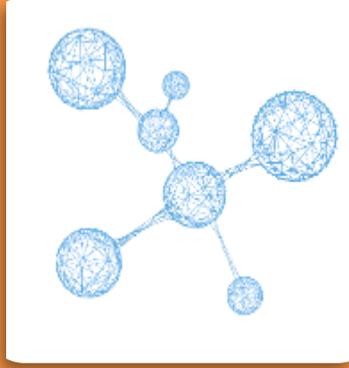
# Caronne Products & Services



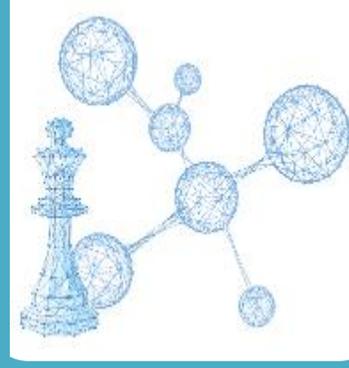
**AI4QS**  
AI Quick  
Scan™



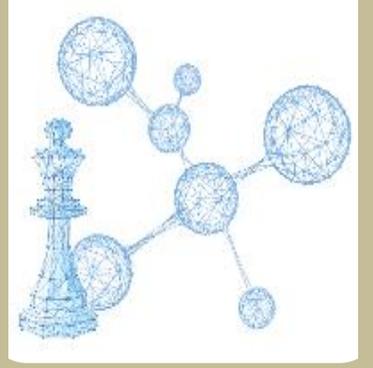
**AIPI**  
AI for  
Performance  
Improvement



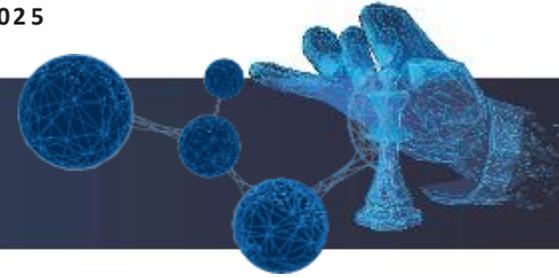
**AI4DI**  
AI for Data  
Integration



**AI4S**  
AI for  
Specialists

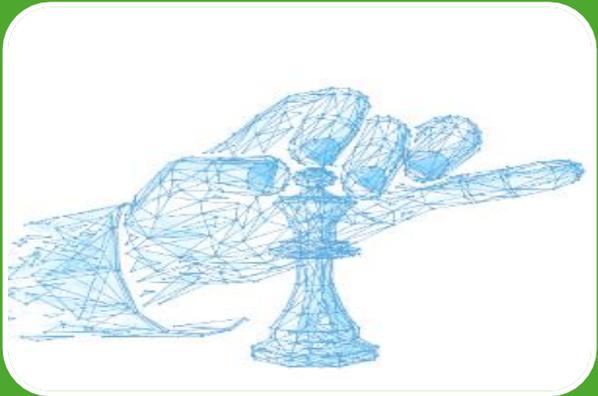


**AI4T**  
AI for  
Trainingen



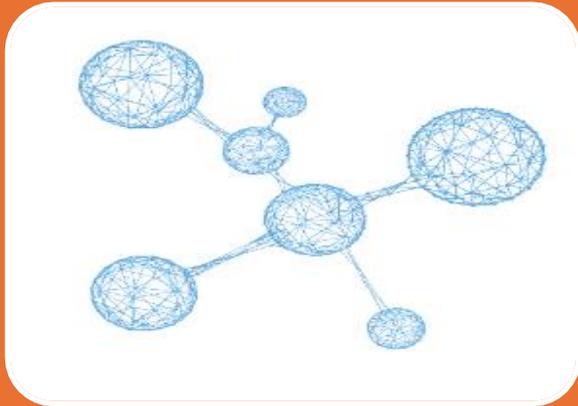
# AI FOR PERFORMANCE IMPROVEMENT™

## *Step 1* Strategy



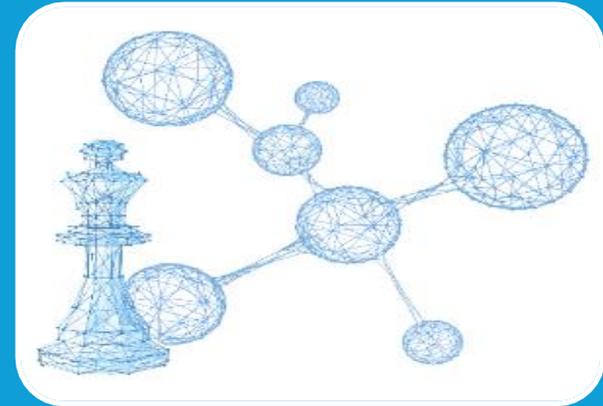
From challenge to opportunity

## *Step 2* Presentation



From idea to actionable plan

## *Step 3* Realization



From data to results