

Commercial Bank International leads investment round in generative AI fintech zypl.ai

Dubai, UAE, 5th of April: Commercial Bank International (CBI), the Dubai-based corporate and retail bank, has announced its investment in zypl.ai, a fintech startup pioneering the application of generative AI in lending. The investment includes a post-seed bridge round investment into zypl.ai, alongside a group of global investors, ahead of the company's planned Series A raise which is due to take place later in 2024.

Having crossed \$1 million in annual recurring revenue at more than 20% compounded monthly growth rate since the launch of sales, zypl.ai is already operationally break-even. In addition to global expansion with major financial institutions across continents, the fintech is eyeing microfinance in Southeast Asia and credit unions in North America in particular, along with a foray into underwriting in the insurance industry.

zypl.ai's flagship software – zypl.score – enables financial institutions to optimise credit decision models across retail and SME portfolios through the generation of synthetic data. Over 35 banks across 12 markets in Eurasia have deployed zypl.ai's proprietary AI-as-a-service software, underwriting >\$100 million of credit portfolio at minimal default rates. To power its credit decisions, zypl.ai has built proprietary generative adversarial networks (GAN) on a cumulative dataset of over 54 million traditional and alternative data points. This unique approach provides financial institutions with macro-resilient decisioning on dynamically trained AI models that factor in changing macroeconomic cycles.

When deploying zypl.ai, enterprise clients can fully customize zypl.score to their risk appetite with the goal of reflecting competitive market advantages. Through on-premises deployment, zypl.ai ensures full data privacy and confidentiality. Thanks to its interpretability features with embedded 'weight-of-evidence' for each credit decision, zypl.score is fully compliant with emerging regulatory conditions that require explainability of 'black-box' credit models.

CBI and zypl.ai initially launched a proof of concept in the summer of 2023, conducting a backtest of zypl’s synthetic AI algorithms on CBI’s historical retail dataset. The results were convincing: with minimal application data lacking credit history information, zypl.ai was able to reduce default rates by two-thirds whilst retaining 90% of non-default customers. Following the positive outcome, CBI entered into a commercial pilot of zypl.score in fall last year, with an expanded scope of retail decisioning model that included risk rating and Large Language Module (LLM) - driven decision interpretation capabilities. At present, the Bank has proceeded to a full deployment of zypl.score in its retail lending through a software licensing agreement with zypl.ai.

Commenting on zypl.ai, Ali Sultan Rakkad Al Amri, CEO of CBI, said “Our partnership with zypl.ai, an innovative AI platform, signifies a strategic entry into using AI implementation for advanced credit scoring. By harnessing zypl.ai’s synthetic data AI powered algorithms, we’re confident we can further enhance our operational efficiencies to ensure a swift and seamless lending experience. Our work and investment with zypl.ai aligns well with our commitment to supporting innovation in the UAE and with our strategic ambition to partner with only the most innovative partners in the financial technology space. We look forward to supporting zypl.ai’s growth both regionally and internationally.”

Founded in 2021 by Azizjon Azimi, an alum of Stanford University (MBA’21) and Harvard University (MPP’21), zypl.ai now has over 50 full-time employees including a research and development lab and a machine learning academy in its home market of Tajikistan. Commenting on zypl.ai’s potential, Azizjon said “The \$27 billion credit scoring industry globally has been constrained to a vicious, legacy cycle of building decision models on historical data. This has repeatedly reproduced the same suboptimal results of high rejection and default rates across geographies, banks and segments. Our approach provides a radical alternative: training models on synthetically generated simulations of historical data under extreme macroeconomic scenarios or so-called ‘black swans’. Adding such outlier data generated by AI empowers financial institutions – large and small, retail and wholesale, mass market and niche – to retain resilient portfolios across all macro cycles. Our rapid traction is proving that generative AI is not just in content creation – it is a disrupting technology that can shake up the world of finance.”

As part of its bridge investment in zypl.ai, CBI will gain a seat on the company's Board of Directors to help support the next stage of global growth. zypl.ai had raised \$2 million in its prior rounds from Tumar Venture Fund (joint World Bank and Government of Kazakhstan fund), European fund Presto Ventures, American fund Battery Road Digital Holdings, leading regional banks including Jordan Ahli Bank and Uzbekistan's Aloqabank, and a group of angel investors across MENA and Central Asia. In its latest bridge round, zypl.ai has thus far raised \$1.2 million at a post-money valuation of \$25 million.

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About Commercial Bank International (CBI)

CBI is a UAE based corporate and retail Bank, with a growing Islamic banking business. The Bank was incorporated in 1991 in the Emirate of Ras Al Khaimah and is headquartered in Dubai. CBI shares are listed on the Abu Dhabi Securities Exchange (ADX) and the Bank has a long-term issuer default rating of BBB+ and a short-term issuer default rating of F2 from Fitch Ratings. CBI is regulated by the Central Bank of the UAE and the Securities and Commodities Authority of the UAE (SCA). CBI is majority owned by UAE shareholders and Board members are majority UAE nationals. CBI offers a comprehensive portfolio of banking products, as well as tailor-made financial solutions in corporate, Islamic and retail banking, ranging from lending, trade services, cash management and treasury solutions to personal account services and credit cards.

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