



**CREDIT RISK**

# Early Delinquent Detection Score

## OVERVIEW

Rising delinquency continues to challenge the unsecured credit market in Hong Kong. From April 2024 to April 2025, the 30+ delinquency rate saw a steady growth from 1.8% to 2.6%,<sup>1</sup> highlighting the need to mitigate risks more effectively while prompting a more cautious approach to growth.

TransUnion® Early Delinquent Detection Score (EDDS) uses a bureau based generic model for unsecured loans, helping lenders identify delinquency risk sooner – whether regarding a new account application or an existing account under review. Developed on 34 months of recent data with coverage up to June 2024, including customers with new account originations, the model uses CreditVision® 2.0 (CV2.0) attributes and is powered by a robust methodology.

## KEY FEATURES



### Early risk identification

Uses a refined bad definition aligned to current market behaviour to identify high-risk accounts earlier and support proactive strategies.



### Recent market calibration

Built on 34 months of development and out of time data to reflect current conditions and portfolio dynamics.



### Deeper data insights with CV2.0

Leverages the new CV2.0 attribute set, with around 30% of modelled attributes from CV2.0, to enhance separation between good and bad outcomes.



### Robust methodology

Incorporates both logistic regression and a decision tree model in the score build to strengthen supervised learning and predictive power.

## EDDS HELPS YOU:

- ✔ **Identify risk early**  
Apply EDDS at acquisition and credit account review to flag higher-risk cohorts sooner and guide timely action.
- ✔ **Enhance predictive power and policy clarity**  
Decision-tree modelling and refreshed CV2.0 attributes strengthen risk separation and support explainable policy design.
- ✔ **Spot stronger applicants quickly**  
EDDS highlights lower-risk segments to route them for straight-through processing while applying tighter checks to high-risk groups.

## USE CASES

- Acquisition risk screening for unsecured lending
- Portfolio review on newly opened accounts

## PROOF POINTS

Approximately  
**HKD 1.2 billion**  
loss prevention  
opportunity in  
the market<sup>2</sup>

**Over 50 KS**  
achieved by  
scoring model<sup>3</sup>

<sup>2</sup>Calculated with industry-level data between April 2022 and June 2024, from TransUnion consumer credit database

<sup>3</sup>As of September 2023. Performance benchmark is calculated using the data samples from TransUnion consumer credit database

Contact your TransUnion representative to run an EDDS pilot and quantify potential loss-prevention impact.

Visit: [transunion.hk/credit-scores](https://transunion.hk/credit-scores)

