

CreditVision Premium Algorithms

Hong Kong's next generation of bureau risk solutions

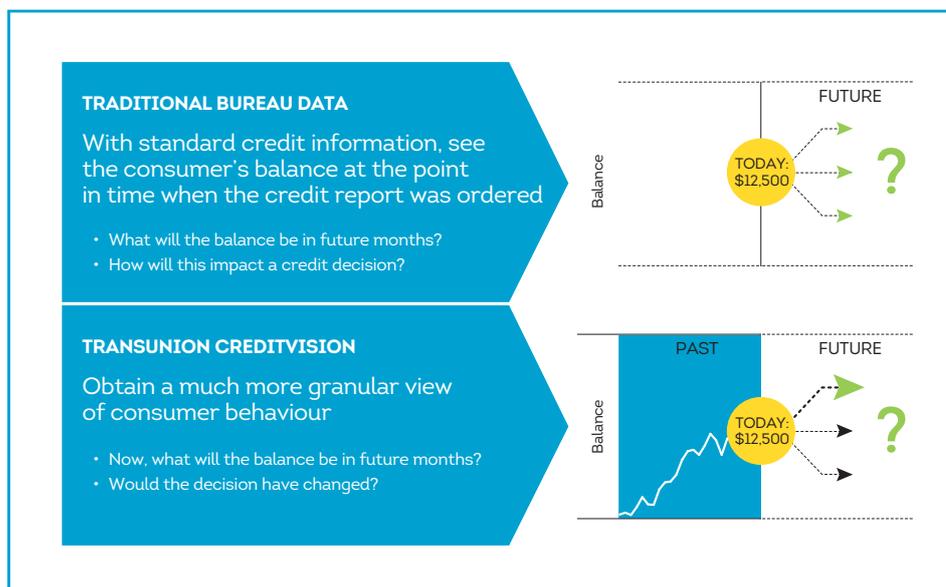
Analyze and predict consumer credit behaviours with improved accuracy

TransUnion CreditVision[®] Premium Algorithms deliver a new suite of solutions that can help you to make more precise lending decisions based on the enhanced ability to identify specific consumer credit behaviours. CreditVision incorporates up to 24 months of account history, including payments as opposed to data from a single point in time, along with performance trends to provide a deeper view of consumer behaviour—especially important in the dynamic Hong Kong market.

Improve your strategies across the customer lifecycle

- **Risk management**, including:
 - Quantify and address the risk associated with revolvers vs. transactors
 - More effectively predict risk using up to 24 months of account history, including payments
- **Collection**, including:
 - Prioritize consumer collection activity by using actual repayments
 - Identify consumers more likely to make payments to you

Trended data improves accuracy on future behaviour prediction



Traditional bureau data is based on attributes derived from a single point in time. CreditVision provides insights into historical trends for improved predictions of future behaviours to improve lending decisions.

Get a deeper and broader view into consumer behaviours with TransUnion CreditVision Premium Algorithms

Whether your institution requires refined strategy or new policies, CreditVision can help your institution to understand risk indicators and direction of specific consumer behaviours. It helps you to define consumer credit stability, product offerings and risk segmentation.

An intensive analysis of thousands of attributes in TransUnion's historical account data uncovered more than 400+ highly predictive algorithms that were segmented into six sets with similar nature to align with lender strategies.

TransUnion CreditVision Premium Algorithms

Revolver

Improve segmentation by assigning effective treatment strategies. Credit cards are defined as transacting, revolving or inactive based on the previous 24 month history. Revolver algorithms were built in combination with historical credit limits, as well as balances and payments at account level and aggregated to the consumer level.

→ **Identify consumers that may indicate higher risk**

- Improve evaluation of consumer cash flow and capacity to pay
- Segment consumer risk based on historical usage of revolving credit

→ **Capture consumers that drive profit**

- Better align product and pricing based on consumer behaviour

Payment

Better understand consumers' ability and likelihood to pay by evaluating payment behaviour over time. Payment algorithms identify payment-based credit behaviours such as actual-to-minimum payment, prepayment frequency and amount.

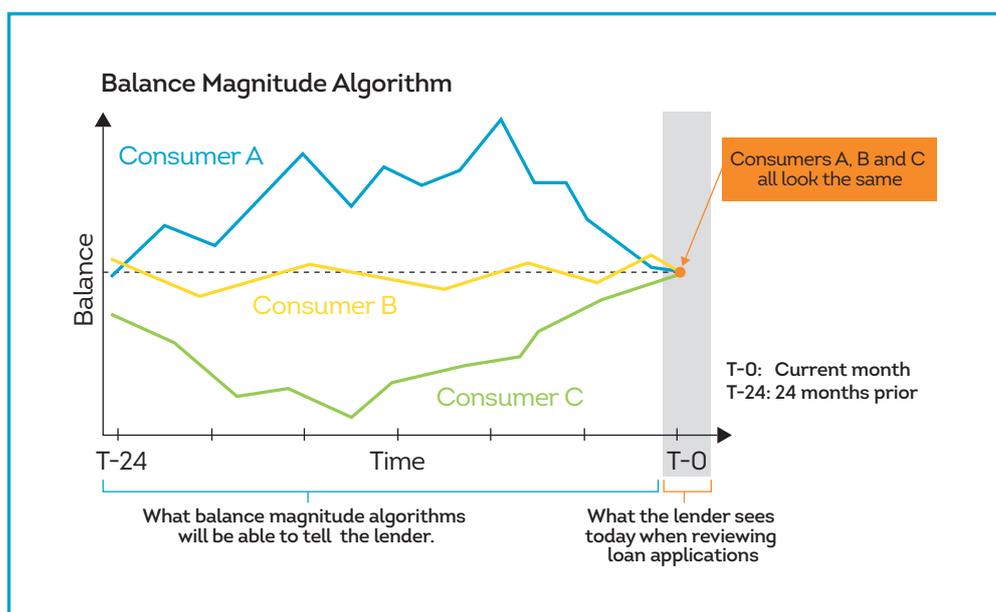
- Capture consumers behaviour that drives revenue or indicates risk
- Identify consumers who are more likely to pay

Balance Magnitude

Better evaluate future credit risk by capturing the direction of change in consumer balances over time. Balance magnitude algorithms measure the degree of balance change over the past 24 months.

- Identify the level and recency of change in a consumer's total indebtedness
- Determine whether the consumer is paying down or ramping up total balance

CreditVision uncovers broader and deeper views into consumer behaviours using sophisticated analytics. As shown in this diagram, the three consumers who appear to display the same credit behaviour today had very different past behaviours. Their future performance may also be very different.



Wallet Share

Gain insight into how consumers build and move balances across credit cards over time. Wallet Share algorithms capture credit card activity indicative of significant changes in balance from month to month—for example, maximum balance change or number of balance shifts greater than 25%.

- Detect credit card preference movement, indicative of how consumers respond to offers
- Evaluate product elasticity (for example, pricing and promotional offers)

Spend

Determine consumer spend to gain valuable insights into consumer behaviours and refine risk management strategies. Spend algorithms analyze customer spending patterns such as aggregate wallet spend, seasonal and year-over-year spending trends.

- Identify and target high and increasing spenders
- Manage exposure to higher-risk revolvers while improving high spending customer experience

General

Further segment and define behaviours based on unique business objectives. These algorithms track consumer and aggregate behaviours over time.

LEARN MORE

Learn more about CreditVision Premium Algorithms. Contact your sales representative at sales@transunion.hk, call [852-2979-3005](tel:852-2979-3005), or visit www.transunion.hk.

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