CreditVision.

CreditVision Micro Finance Solution

✓ **Score better to enable growth**
Improve risk assessments of new and existing credit relationships and achieve profitable growth.

✓ **Score more customers**
Improve targeting and better predict payment behaviour to expand your book with confidence.

✓ **Enhance the customer experience**
Treat all customers fairly and enable more accurate credit decisioning to include previously unscoreable populations.

CreditVision Micro Finance helps lenders achieve profitable growth by improving the risk assessment of new or existing credit relationships – increasing the ability to expand approvals while maintaining or reducing charge-offs.

Better predict risk and acquire more Micro Finance customers. Predict risk better and score more Micro Finance customers at acquisition. Strengthen your predictive power and acquire more Micro Finance customers.

CreditVision Micro Finance is an industry solution that offers four scorecards to help lenders make smarter risk assessments at acquisition. With improved predictive power across different loan terms — such as one-month micro loans, short, medium and long-term loans — lenders can offer the right products to the right customers with the right terms.

CreditVision Micro Finance

→ **Confident approvals of more customers**
Drive a higher conversion rate of previously declined applicants with depth of insight.

→ **More precise risk assessments**
Solution offers four individual scorecards, fostering better decisions when approving new micro finance applicants, and assigning credit limits and risk-based pricing based on specific loan terms.

→ **Custom scoring without access to historical data**
By focusing on performance of typical micro finance product holders, our new solution goes beyond most credit bureau scorecards to help lenders more accurately predict risk.

TransUnion

CreditVision™

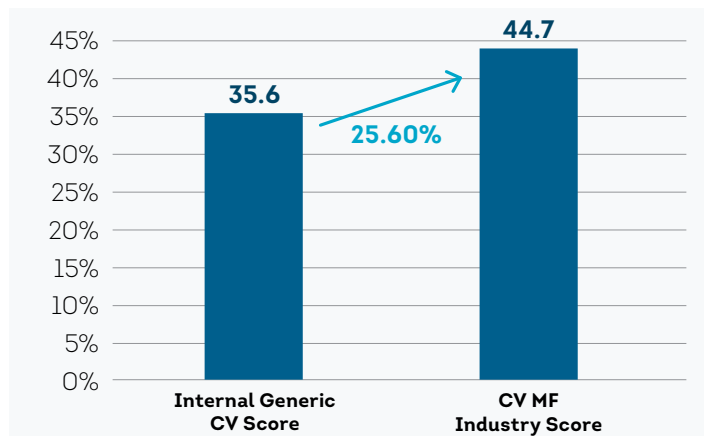## Precision scoring that delivers performance results

When using a generic score, all micro finance customers (whether one-month, short-, medium- or long-term), are scored using the same scorecard. But because customer behaviour is different for each term, your ability to rank risk effectively using traditional scorecards can be compromised.

Our solution helps lenders score better using trended credit data — and score more previously unscoreable consumers using CreditVision's new thin-file variables.

In an industry study, CreditVision Micro Finance Score identified a 13.58% increase in approval rates at an industry bad rate of 7.07% — resulting in more than 77,000 new loans per year that could be approved at an acceptable bad rate. The incremental increase of these loan limits was R197 million, reducing bad debt by R13.4 million per year. This gain was driven by a lower unit bad rate and lower loan amounts of accounts going bad.

Score Better

CreditVision data yielded a 25.6% increase in risk predictability on an out-of-time sample compared to a generic internal score.

Score More

By keeping the bad rate the same, CreditVision allowed for a 13.58% improvement in approval rates.

Score More	Generic Internal CV Score	New CV MF Score
Approval Rate	70.45%	70.45%
Bad Debt % of Approved Population	7.07%	7.07%
Improvement in Approval Rate		13.58
Incremental Approved Year		77,624
Incremental Limit of Loans v2 (R'000)		R197,540

*Average loan amount of R2,544

Benefits

→ **Accuracy:** Enable fair treatment of your customers

→ **Perspective:** The only Micro Finance solution on the market using the predictive power of four scorecards for different loan terms

→ **Growth:** Improve approval rates and expand your book to include thin-file populations

→ **Better risk predictions:** Use the correct term score for the specific products you offer

→ **Lower bad debt amounts:** Lessen bad rates and decrease loan amounts of accounts going bad

→ **Improved performance of marketing campaigns:** Target the right customers with the right products

Decrease bad debt amounts

CreditVision Micro Finance score also indicated a 10.40% decrease in bad debt amounts compared to a generic internal score — driven by a lower unit bad rate and decreased loan amounts of accounts going bad.

Keeping AR the same at 80%	Generic Internal CV Score	CV MF
Reduce in Bad Rate	7.03%	7.84%
Reduce in Bad Debt amount (per year)		R13,446,913
Improvement in Bad Rate reduction		10.40%

Learn more

For more information on CreditVision Micro Finance Solution, contact your sales representative or visit: **www.transunion.co.za**

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