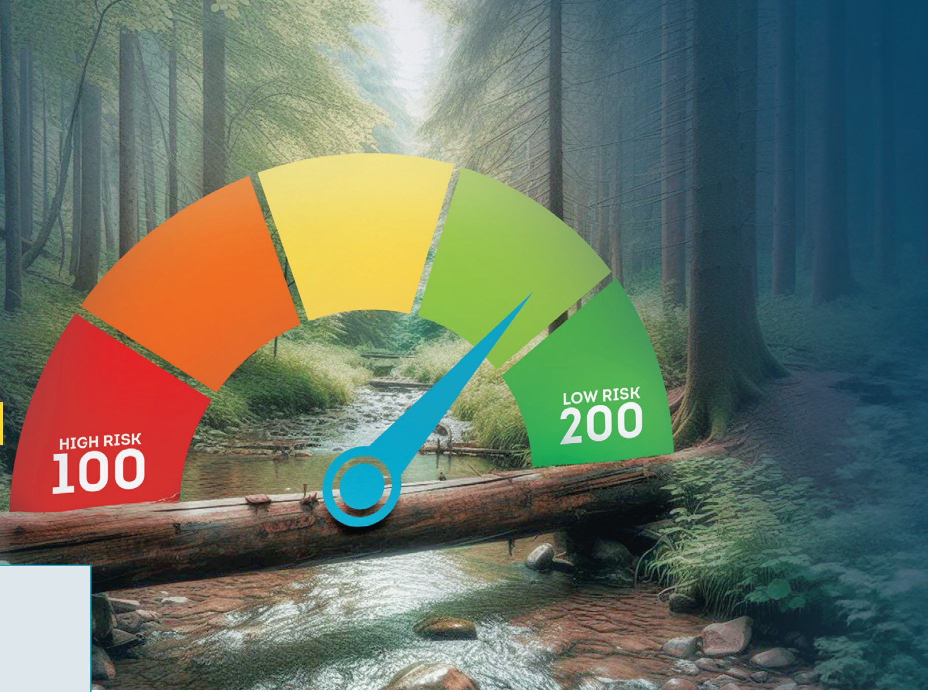
TransUnion CIBIL

New and Enhanced **CreditVision®** **New To Credit Score**

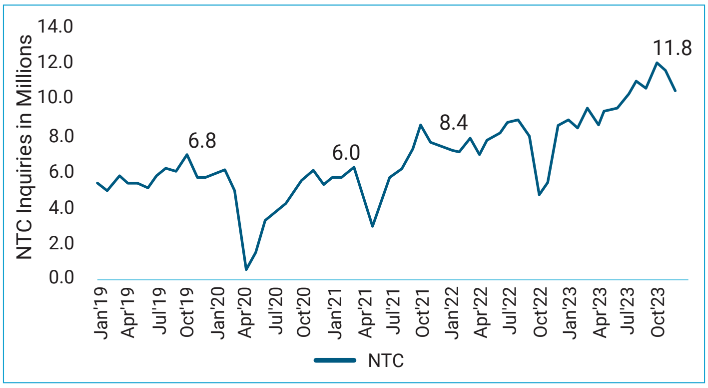
Assess New-to-Credit borrowers with confidence



Expand your reach with precision scoring for New-to-Credit consumers

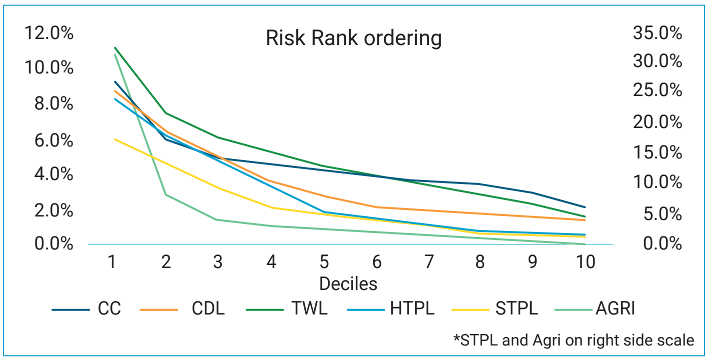
The Indian retail credit landscape is evolving at a very high pace. The credit literacy across geographies has improved immensely over last few years. With improved credit literacy, demand for credit among first-time borrowers i.e. New to Credit borrowers has increased significantly. New to Credit borrower (NTC) segment contributes a little over 20% of the total inquiries. However, approval rates and the quantum of loans sanctioned to NTC segment is significantly lower compared to existing to credit (ETC) consumers. Primary reason for low approval rates is unavailability of information that can be utilized to gauge structural risk associated with the NTC consumer.

With TransUnion CIBIL's new and enhanced New to Credit (NTC) Score, financial institutions can objectively assess structural risk associated with NTC consumers and capitalize on this growth opportunity without compromising risk. The new NTC score employs an enhanced lookalike model which identifies finer lookalike segments compared to previous score and uses trended data available in the bureau related to payments, balances and inquiries to effectively predict the likelihood of a borrower defaulting on their first loan in the next 12 months.



Key Features of new CreditVision® NTC Score

- Ability to score new to credit consumers in the range from 100 to 200, where lower score signifies high credit risk and vice versa.
- Ability to predict risk differently by using finer segmentation that covers all products and industries.
- Dedicated segments for agricultural products and short-term loans that provides significant risk separation like never before.
- Simple and easy to consume solution that can be easily integrated via all channels to the underwriting policies of the financial institutions.



The New and Enhanced NTC Score allows you to

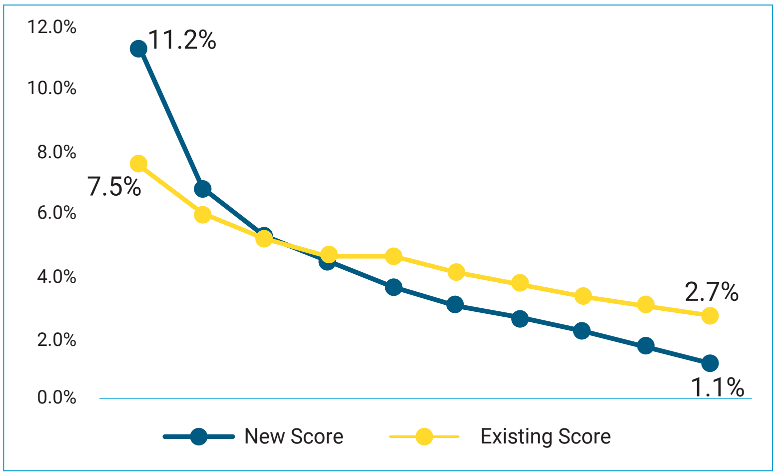
Score more customers objectively and accurately in the NTC segment

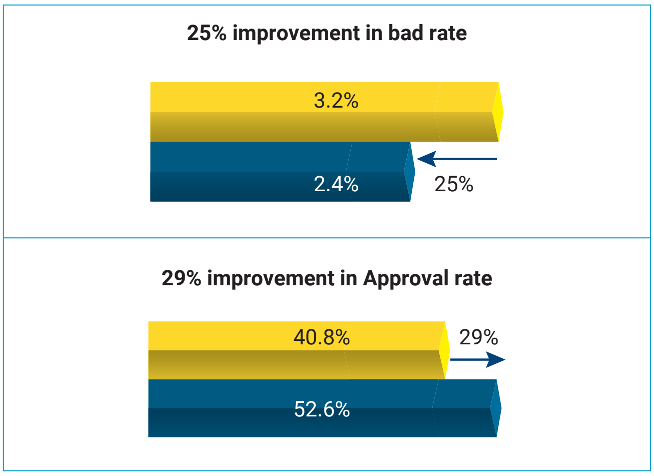
Achieve efficiency in cost of acquisition

Enhance the underwriting process and predict risk for the entire "through the door" population

Increase approval rates within the current risk tolerance

The New Score is outperforming existing Score for all the products





Note – Existing score cutoff - 145+ & New score cutoff – 150+

The new score demonstrates superior predictive capabilities compared to the existing score, offering enhanced accuracy and reliability. This improvement is attributed to advanced algorithms and finer segmentation, resulting in more precise forecasts and better decision-making support

- The new score captures higher number of bads in low score buckets
- In the bottom 30% of the population, the new score captures ~57% of all bads compared to 40% by existing score
- The new score has only 6.8% of all bads in top 20% of the population, whereas the existing score has 11.9% of all bads

How the New NTC Score Works?

- Across-the-board characteristic mathematical tools were used to identify the most predictive data available in consumer credit files and develop a powerful risk model. The score effectively predicts the risk of a New to credit borrower - whether a borrower is likely to default (90+ DPD) on tradeline in the next 12 months.
- The score has a range of 100 - 200, with higher score indicating better (lower) credit risk.

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