ΞFS. SCORING

EXUS EFS Scoring covers banks' scoring process needs in a flexible, transparent, auditable and user friendly manner. The EFS Scoring can help a financial institution substantially reduce the implementation cycle of any type of scorecards by providing business users with a comprehensive toolset to define scorecards, cut-offs, binning and strategies, as well as to model, execute, evaluate, deploy and maintain risk models and integrate them in the bank operation. Business users can create a variety of strategies, separate the targeted customers/loans in segments, compare and evaluate the results, decide which strategy is more appropriate and finally apply the strategy in production.

EFS Scoring is a new generation scoring solution which combines a vertical application for scoring that fully covers the scoring needs of financial institutions, with the scalability and flexibility of a rule engine. Scoring is integrated with all risk calculation touch points and is a part of the operation process. Choosing EFS Scoring for implementing the scoring process ensures that scoring definition and calculation will not be an island but an integral part of the way successful financial institutions manage risk.

Scoring for the whole customer lifecycle

EFS Scoring is a consistent framework for applying scoring during the whole customer life cycle:

- The First important phase in the customer lifecycle is the origination. Application Scoring is required at the time of the application of a new product, in order to reject or (conditionally) approve the application.

- The Second important phase is account management. Here Behavioral scoring is required in order to model and predict any aspect of customer behavior, like default or attrition.

- The Third phase is collection, which e.eg gives an indication of the likelihood of an account to be written off in the next months.

EFS Scoring facilitates the implementation of all scorecard generations.

Calculation of scorecards can be based on different type of information coming either from internal or external data sources. Typical examples are customer demographic, past behavior, account information or information coming from Credit Bureau, if available. Using its powerful rule engine, EFS Scoring can also be used to model and calculate on a regular basis complex metrics based on the initial available data and thus enhance the modeling and scoring capabilities.

EFS Scoring offers a framework to facilitate the Internal Based Rating (IBR) approach and support models to estimate the PD (probability of default) for individual clients or groups of clients and Loss Rate models.

Optimizes the scoring process

Reduces the scorecard deployment cycle by offering to business users a rich set of tools to define and manage scorecards. Changes to scorecards or completely new ones can be deployed in seconds.

Allows the risk officer to control the scoring implementation. He can manage the scorecards (design, version, edit, test, deploy, activate) evaluate them through reports and champion challenger techniques and manage the strategies, depending on the implementation domain.

Enables the users to design and implement effective scoring strategies, through easy to use graphical interface.

Provides extensive auditing capabilities and a powerful access control model.

Data Layer · Engine Layer · Strategy Layer · Reports

Web Service

Batch

Scoring Engine Layers
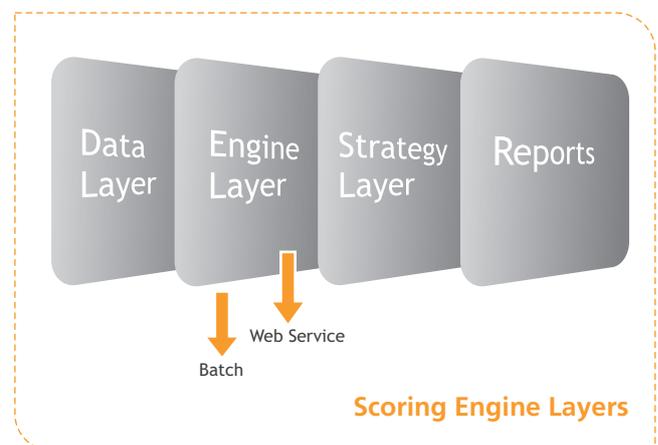
Fits the needs of the bank utilizing our Right Fit | Technology™

Implements any scorecard with advanced visual tools geared to business users.

Fits the needs of both small and large banks as our platform and tools scale easily and can facilitate any level of sophistication.

Supports different modes of integration with banks data and systems.

Provides sophisticated analytical tools for ad-hoc and statistical analysis.

Ξ RightFit Technology™

Features

Graphical Tools addressed to business users that support:

- Definition of a new scorecard with appropriate attributes, including demographics, behavioral and account data.
- Definition of a new version of a scorecard.
- Addition of characteristics to a scorecard.
- Assignment of weights to each characteristic bins.

Extensive reporting, covering performance monitoring, stability monitoring and analytics. Key indexes can be examined throughout the time, since it is very common a powerful model to lose its strength after some time.

All types of scorecards are supported: Application, Behavioral and Collection.

Extensive back-scoring capabilities through external datasets and custom files.

Strategy can be implemented as a set of scoring scenarios, including segmentation, scoring and classification (cut-off) criteria and intergeted in the overall credit policy.

Functional Overview

Scorecards Management

Ability to define, maintain and measure multiple versions of application, behavioral and collection scorecards prior to any launching to production.

Fast and multiple sampling techniques could be hosted to verify the correctness of scorecard creation during the creation process enhancing specific champion-challenger features.

Full coverage of core banking products and its related risk policy to evaluate overall customer and account risk assessment.

Smooth enhanced of business criteria can be implemented on the level of customer or account level based on loan origination or collection needs

Adaptable deployment schemes of each scorecard depending on Risk or banks' processing requirements.

Data Management

Data are collected for a variety of systems and are normalized in order to form a repository. The risk officer can 'drag-and-drop' them in the scorecard he wants to define. Part of the EFS is the data layer, deployed to define a repository of data (and references to data) available to the risk officer for the definition of scorecards. There are data directly retrievable from other repositories, and other that need preprocessing. We facilitate straight-forward preprocessing, e.g consecutive upshifts of delinquencies in billing cycles or more complicated ones, e.g, times where delinquency status was bucket 3 or more last 6 months. Access to data can be on-line or batch.

Risk Strategy Management

EFS Scoring supports the Risk Officer in the task to control the Risk Strategy, that is the collection of rules that define the management of risk and risk aversion. The expression of the stategy is expressed in term of the specific business domains.

The score is calculated, normalized if required, binned according to the definition of zones of the risk officer, and the result is used in areas such as collection, Loan Origination, CRM, etc. In the case of Loan Origination the definition of the strategy involves the definition of cut-offs, the mapping of zones to approvals or rejection, the routing to approval centers, and indications regarding payment terms. In case of Collection the definition of the strategy involves the definition of cut-off, the mapping of zones to collections queues, the assignment of specific action codes, the mapping to communication techniques (e.g. production of letters according to templates) the assignment or not to outsourcers.

Visual tools for the definition of the strategy and the supporting parameters are available to the risk officer.