



# FICO® Scoring Solutions

Executive Overview 2021

**Presenter Name**  
Title, Company

**Presenter Name**  
Title, Company

**Presenter Name**  
Title, Company



# EMPOWERING

Lenders



Consumers



Economies



# FICO® Score

The Standard Measure of Consumer Credit Risk

30

FICO® Scores in over  
30 countries

90

FICO® Scores are used by 90%  
of the top U.S. lenders

## INCLUSION

FICO® Scores around the world leverage alternative data sources that expand consumer credit access to those in need

## ACCESS

Hundreds of lenders are participating in the FICO® Score Open Access program to provide FICO® Scores to consumers for free

## TRUST

FICO® Scores were solely cited as the credit risk measure in over 98% of total dollars in U.S. Securitizations

# FICO® Score

The Standard Measure of Consumer Credit Risk

30

FICO® Scores in over  
30 countries

90

FICO® Scores are used by 90%  
of the top U.S. lenders

## INCLUSION

FICO® Scores around the world leverage alternative data sources that expand consumer credit access to those in need

## ACCESS

Committed to empowering lenders and consumers with access and understanding of FICO® Scores globally

## TRUST

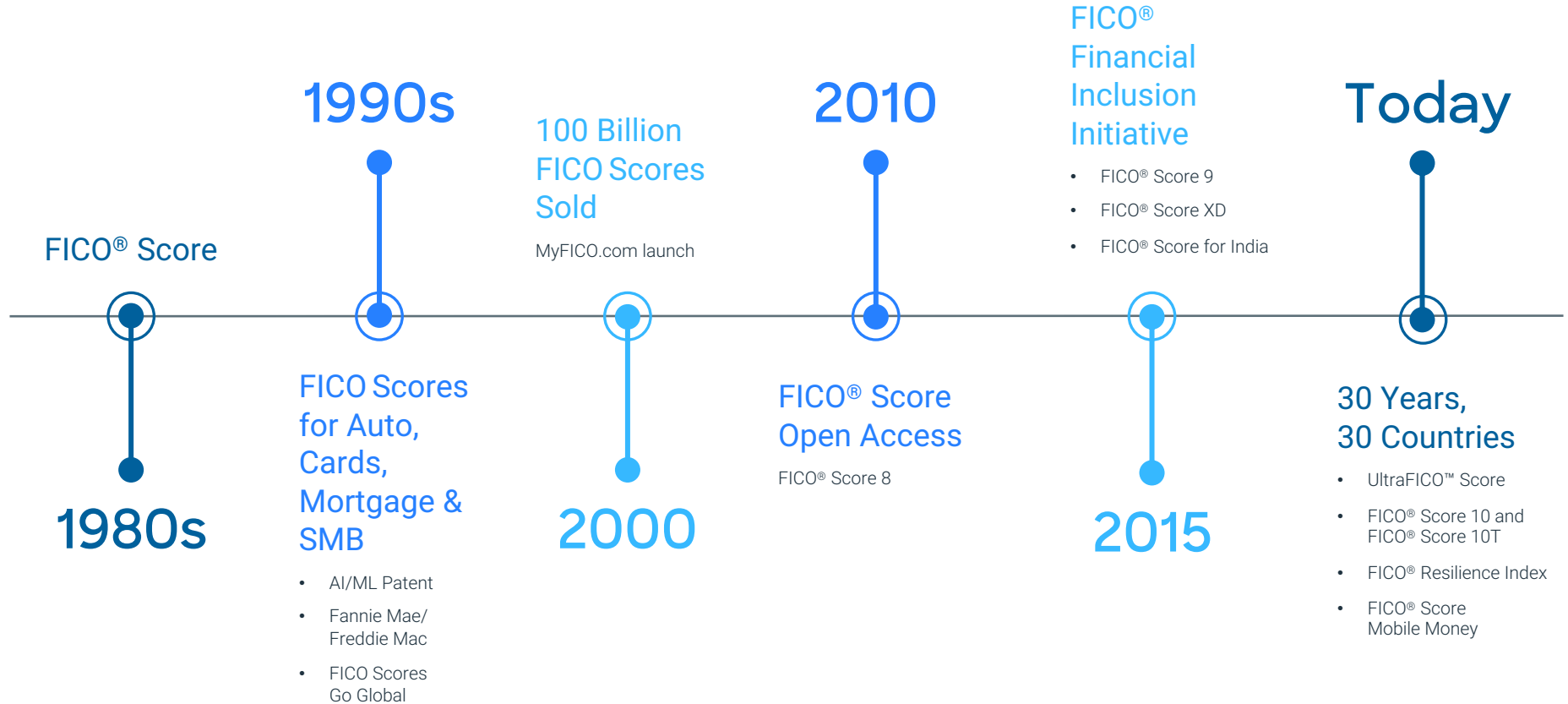
FICO® Scores were solely cited as the credit risk measure in over 98% of total dollars in U.S. Securitizations

## Empowering future borrowers










- You counted on us for 30 years of...
  - vastly expanding consumer access to credit
  - driving innovative credit scoring technology
  - accurately and reliably predicting credit risk
- You can count on us to...
  - lead innovation for consumer credit risk management and access
  - help you grow financial inclusion programs responsibly
  - empower more consumers with tools and education

# 30 Years of Financial Inclusion Innovation



# Primary Products

FICO® Score 10 Suite		The most powerful FICO Scores ever
FICO® Resilience Index		More precisely predict a borrower's resilience to potential future economic disruptions
FICO® Score XD		Alternative data scoring for expanding credit access
UltraFICO™ Score		Consumer-permissioned data scoring for expanding credit access
FICO® Score Open Access		Opening the door to better customer relationships
FICO® Score for International Markets		Proven, flexible and rapidly deployable
myFICO™		Providing consumers access to the score lenders use



# The FICO® Score 10 Suite



© 2021 Fair Isaac Corporation. Confidential. This presentation is provided for the recipient only and cannot be reproduced or shared without Fair Isaac Corporation's express consent.



## The Most Powerful FICO® Scores Ever

The **FICO® Score 10** suite outperforms all prior **FICO® Scores**, offering the precision you need based on a proven scoring blueprint. Now featuring **FICO® Score 10 T** which integrates trended data.

The score you know and trust with more power and flexibility than ever – the choice is yours.

# The FICO® Score 10 Suite

## A New Level of Flexibility

FICO® Score 10 T and FICO® Score 10 were developed on recent data samples

- Uses 2016-2019 development data
- NCAP-impacted public records/collections cleansed from data to reflect current CRA practices

### FICO® Score 10 T

- ✓ Incorporates trended data for refined predictive power
  - ✓ Utilizes trended variables
  - ✓ Utilizes new kinds of static variables
  - ✓ Introduces new reason codes

### FICO® Score 10

- ✓ Backwards compatible
- ✓ Does not utilize trended data
- ✓ No new reason codes
- ✓ Minimizes operational changes associated with adopting new scores while still delivering improved predictive capabilities

## The FICO® Score 10 Suite

### Benefits

- Complete flexibility to use the FICO® Score best suited for your needs
- Both provide improved predictive power without sacrificing the familiar FICO® Score blueprint that ensures reliability
- FICO® Score 10 enables ease of integration and backward compatibility alignment with previous FICO® Score versions
- FICO® Score 10 T incorporates trended data for strategies and use cases that benefit from additional trended data insights into consumer behavior

Flexible

## The FICO® Score 10 Suite

### Benefits

- Both were built using recent data samples to achieve predictive lift over prior score versions
  - Provides unprecedented predictive power in mortgage, auto, bankcard and all consumer lending
  - Provides even greater predictive lift on thin or new-to-credit files relative to previous score versions
- Balanced use of machine learning (ML) and human expertise:
  - FICO's proven proprietary approach uses ML where sensible
  - Leveraging deep domain expertise from 30 years of credit bureau score developments
- Robust development framework yields score that validates well over past severe recession period

Powerful



Trusted

## The FICO® Score 10 Suite

### Benefits

- FICO® Score 10 suite
  - No sacrificing of the minimum scoring criteria lenders and investors value
  - Compliant with existing US regulations including reason codes that offer the same level of palatability as prior score versions
  - Scaled to similar odds-to-score relationship as prior versions
  - Maintains 300-850 score range, consistent with prior score versions
- Carries forward enhancements from prior score versions
  - Retains authorized user treatment
  - Bypasses paid 3rd party collection agency accounts
  - Retains differentiated treatment of 3rd party medical collection accounts
  - Considers rental data when found on credit files



# FICO® Resilience Index

# FICO® Resilience Index

## Benefits

- Better prepare for cyclical downturns
- Assess loan portfolio vulnerability more accurately
- Refine credit marketing and origination strategies
- Improve stress testing outcomes
- Better estimate loss allowances
- Integrate easily with existing FICO® Score processes



# Now FICO Can help you predict the Weather

Not when a financial storm will hit, but **Whether** your portfolio can handle that storm **across the lifecycle** when it does.



Refine credit marketing to achieve growth objectives in softer markets

Refine origination strategies with resilience insights

Assess loan portfolio vulnerability more accurately

Better estimate loss allowances, improve stress testing outcomes

Increase portfolio value by building for resiliency across the lifecycle

Build resilient portfolios today for better **value** tomorrow. ←



# FICO® Resilience Index

## Features

### Create a dual score matrix or as an additional decision key

Use in conjunction with the FICO® Score

### Can be delivered with a credit file along with the FICO® Score

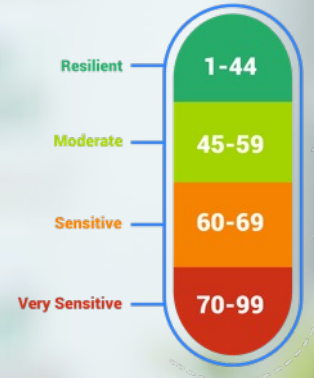
Easily integrate into existing processes

### Easy to understand format, differentiated from FICO® Score scaling

Scaled from 1 to 99 —lower values show greater resilience to economic stress

### Delivered with up to five reason codes

Helpful in understanding FICO® Resilience Index output.





## The UltraFICO™ Score



## The UltraFICO™ Score

### Financial Inclusion and Recovery

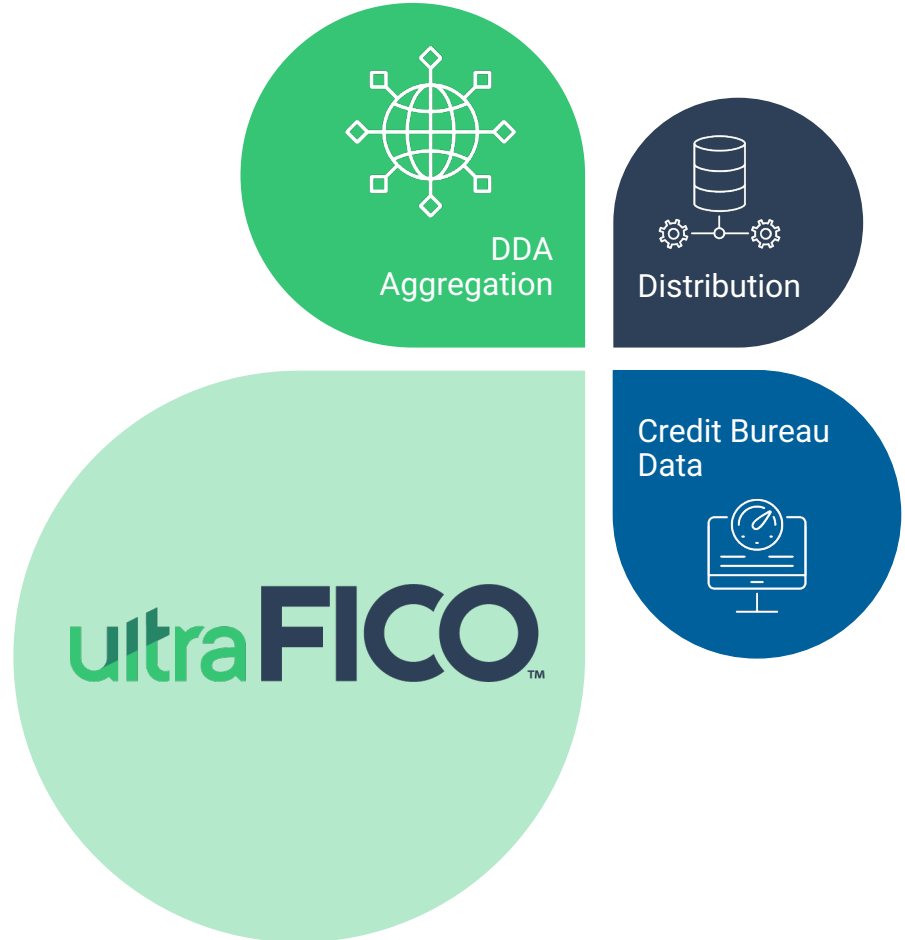
- Supports the FICO Financial Inclusion Initiative's mission to expand credit access and support consumers towards financial recovery
- Integrates consumer checking and savings account transaction data to enable credit lending decisions based on financial management.
- Expands the scorable population and refines prediction to broaden financial inclusion

# The UltraFICO™ Score

Leveraging Financial Transaction Data

Aligns to standard FICO® Score:

- 300–850 score range
- Reason / exclusion codes
- DDA index
- Risk-based pricing & consumer dispute documentation



“Big shift in credit-score calculations, potentially boosting millions of borrowers”



– The Wall Street Journal

“FICO is the market standard for identifying data that's predictive. To get the FICO stamp of approval for cash-flow underwriting...a game-changer.”

– Jason Gross, CEO Petal  
CBS Money Watch



“If FICO – the gold standard in credit scores – says it’s crunched the numbers and figured out a credible way to expand the reliable customer base for lenders, that’s good for everyone.”

– Debt.com



**ultra**FICO™

[www.fico.com/financialinclusion](http://www.fico.com/financialinclusion)

[www.ultrafico.com](http://www.ultrafico.com)

See where it can take you.





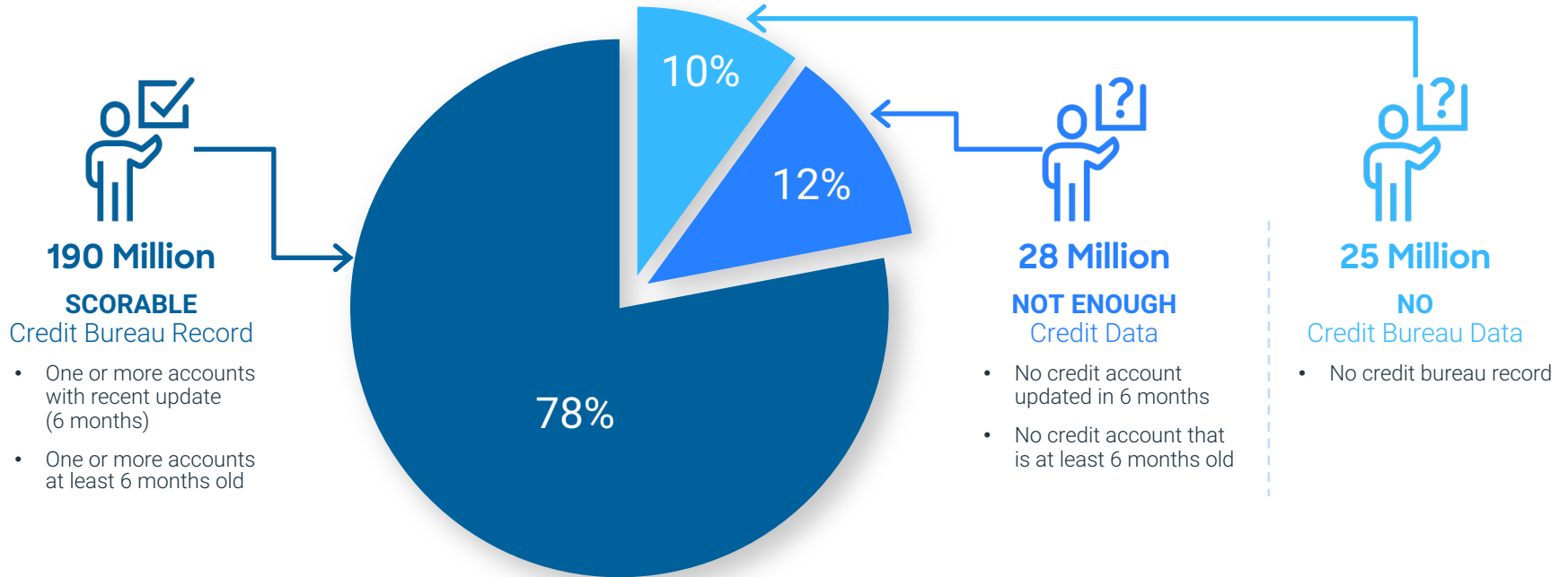
## FICO® Score XD 2



# FICO® Score XD 2

Who doesn't have a FICO® Score?

More than 50 million U.S. adults don't have a FICO® Score.



# FICO® Score XD 2

## Benefits

- Scores as many as 72% of previously unscorable applicants
- Provides scoring opportunities for millions of previously unscorable consumers, a third of whom represent good credit risks
- Opens the door to profitable long-term relationships—roughly half of consumers with a FICO® Score XD 2 above 620 go on to have a traditional FICO® Score of 700 or higher after 24 months
- Ability to approve more consumers at a given risk level (delinquency rate) compared to the previous version



# FICO® Score XD 2

Scoring beyond traditional credit bureau data

FCRA-compliant alternative data sources give reliable FICO® Scores to people who can't be scored using traditional credit bureau data alone.



# FICO® Score XD 2

## Key Features

- For use in unsecured lending FICO® Score XD 2 uses proven modeling technology and refined scoring models
- Effectively rank orders risk, with a KS of 38.0
- Familiar design, aligns with FICO Score
- Regulatory compliance support
- Easy access & integration

FICO Score XD 2 may currently be used on card or unsecured lending portfolios.





# FICO® Score Open Access

# FICO® Score Open Access

Why is it valuable?

- Free for your customers.
- Enables you to share FICO® Scores you purchase to make customer decisions.
- Drives increased online engagement, share of wallet, loyalty and customer satisfaction.
- **Without additional score fees charged by FICO**



# FICO® Score Open Access

How does it work?

- FICO® Score lockup
- Two score factors
- FICO® Score Meter
- Credit education
- 12-month history chart
- Legal and consumer use disclosures

**FICO SCORE**  
The score lenders use.

**723**

**FICO® Score Meter**

Your FICO® Score is based on CRAName data in the same score that YourBank pulled on 1/12/18 and uses to manage your account.  
[Click for more credit education.](#)

FICO and "The score lenders use" are registered trademarks of Fair Isaac Corporation.  
©2018 Fair Isaac Corporation.  
All rights reserved.

**Key Factors affecting your FICO® Score**

- 1** **Too many accounts recently opened:**  
FICO® Scores consider the number of recent credit account openings. Your FICO® Score was impacted because of too many recent credit account openings.  
*Keep in mind:*  
Opening several credit accounts in a short time period is generally reflective of greater risk — especially for people with a short credit history.
- 2** **Time since most recent account opening is too short:**  
FICO® Scores consider how recent a person opened a new credit account as shown on their credit report. Your score was impacted because of the time since you opened a new account.  
*Keep in mind:*  
People who recently opened a new credit account tend to be viewed as more risky to lenders.

**Your FICO® Score History**

Month	FICO Score
02/17	720
03/17	700
04/17	620
05/17	625
06/17	620
07/17	635
08/17	640
09/17	655
10/17	645
11/17	675
12/17	685
01/18	723

[To opt out from receiving your FICO® Score, click here.](#)

FICO® Score and associated educational content are provided solely for your own non-commercial personal educational review, use and benefit.

YourBank and Fair Isaac are not credit repair organizations. YourBank and Fair Isaac do not provide credit repair services or advice or assistance regarding rebuilding or improving your credit record, credit history or credit rating.



# FICO® Score Open Access

## Display Channels



Mobile

Display scores regularly (monthly, quarterly, etc.) through any of these channels



Online banking



Statements

**FICO<sup>®</sup> SCORE**  
The score lenders use.  
**723**

FICO<sup>®</sup> Score Meter

Your FICO<sup>®</sup> Score is based on CRMsName data in the area shown that YourBank pulled on 1/12/18 and was to manage your account.  
[Click for more credit education.](#)

FICO and The score lenders use an approved trademark of Fair Isaac Corporation. ©2018 Fair Isaac Corporation. All rights reserved.

**Key Factors affecting your FICO<sup>®</sup> Score**

- Too many accounts recently opened:** FICO<sup>®</sup> Scores consider the number of recent credit account openings. Your FICO<sup>®</sup> Score was impacted because of too many recent credit account openings.  
**Keep in mind:** Opening several credit accounts in a short time period is generally reflective of greater risk—especially for people with a short credit history.
- Time since most recent account opening is too short:** FICO<sup>®</sup> Scores consider how recent a person opened a new credit account as shown on their credit report. Your score was impacted because of the time since you opened a new account.  
**Keep in mind:** People who recently opened a new credit account tend to be viewed as more risky to lenders.

**Your FICO<sup>®</sup> Score History**

To opt out from receiving your FICO<sup>®</sup> Score, [click here.](#)

FICO<sup>®</sup> Score and associated educational content are provided solely for your own non-commercial personal educational review, use and benefit.  
YourBank and Fair Isaac are not credit repair organizations. YourBank and Fair Isaac do not provide credit repair services or advice or assistance regarding rebuilding or improving your credit record, credit history or credit rating.

**FICO<sup>®</sup> SCORE**  
The score lenders use.  
**723**

FICO<sup>®</sup> Score Meter

**Key Factors affecting your FICO<sup>®</sup> Score**

**1. Too many accounts recently opened:** FICO<sup>®</sup> Scores consider the number of recent credit account openings. Your FICO<sup>®</sup> Score was impacted because of too many recent credit account openings.  
**Keep in mind:** Opening several credit accounts in a short time period is generally reflective of greater risk—especially for people with a short credit history.

**2. Time since most recent account opening is too short:** FICO<sup>®</sup> Scores consider how recently a person opened a new credit account as shown on their credit report. Your score was impacted because of the time since you opened a new account.  
**Keep in mind:** People who recently opened a new credit account tend to be viewed as more risky to lenders.

Your FICO<sup>®</sup> Score is based on CRMsName data in the area shown that YourBank pulled on 1/12/18 and was to manage your account.  
For further information about your FICO<sup>®</sup> Score, go to [www.YourBank.com/FICOscore](http://www.YourBank.com/FICOscore)

FICO and The score lenders use an approved trademark of Fair Isaac Corporation.  
©2018 Fair Isaac Corporation. All rights reserved.

# FICO® Score Open Access

Support for Successful Implementation

- Branding Guide
- Digital Assets
- Implementation Planning Guide
- Credit Education Content
- Dedicated Consultant



<b>FICO SCORE</b> The score lenders use. <b>723</b>	<b>Key Factors affecting your FICO® Score</b> <b>1. Account payment history is too new to rate.</b> <b>2. Too many accounts recently opened.</b>
Your FICO® Score 8 based on CRAName data is the same score that YourBank pulled on 1/12/18 and uses to manage your account. For further information about your FICO® Score, go to: <a href="http://www.YourBank.com/FICOscore">www.YourBank.com/FICOscore</a>	FICO and "The score lenders use" are registered trademarks of Fair Isaac Corporation. ©2018 Fair Isaac Corporation. All rights reserved.

<b>FICO SCORE</b> The score lenders use. <b>723</b>
Your FICO® Score 8 based on CRAName data is the same score that YourBank pulled on 1/12/18 and uses to manage your account. <a href="#">Click for more credit education.</a>
<b>Key Factors affecting your FICO® Score</b> <b>1. Too many accounts recently opened:</b> FICO® Scores consider the number of recent credit account openings. Your FICO® Score was impacted because of too many recent credit account openings. <b>Keep in mind:</b> Opening several credit accounts in a short time period is generally reflective of greater risk—especially for people with a short credit history. <b>2. Time since most recent account opening is too short:</b> FICO® Scores consider how recently a person opened a new credit account as shown on their credit report. Your score was impacted because of the time since you opened a new account. <b>Keep in mind:</b> People who recently opened a new credit account tend to be viewed as more risky to lenders.
FICO and "The score lenders use" are registered trademarks of Fair Isaac Corporation. ©2018 Fair Isaac Corporation. All rights reserved.

# FICO® Score Open Access

## Core Principles



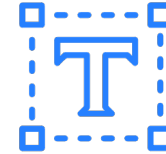
### **Free for consumers.**

FICO charges no additional score fees and lenders may not charge fees.



### **Designed as a comprehensive consumer education program.**

Score display to include at least FICO® Score, two score factors and education content; and be free of any distractions (e.g. marketing of products and services).



### **Adhere to FICO's Branding Guidelines.**

Consistency across consumer interactions with FICO® Scores and authentic perception of FICO® Score brand.

# FICO® Score Open Access

Driving Value for Your Business & Your Customers

## Strategic Benefits

Customer allegiance

- Increasing customer loyalty
- Growing online customer engagement
- Boosting consumers credit knowledge



## Financial Benefits

Fewer risky customers

- Higher transparency in decision making
- Higher response rates
- Lower delinquency rates



## Operational Benefits

Minimal cost

- Reuse of FICO® Scores already purchased
- Implementation in-house or via service provider
- Minimal impact on customer service





## The FICO® Score for International Markets



## FICO® Score for International Markets

### Credit Bureau Benefits

- Rapid implementation shortens the time to revenue compared with custom scoring models
- Enables credit bureaus to meet the demand of their clients for a broad-based credit risk score
- Achieve revenue growth through value-added analytic products
- Improve market position through a partnership with FICO

# FICO® Score for International Markets

## Lender Benefits

- Helps address increased compliance and regulatory requirements
- Increases efficiency to objectively and consistently assess risk associated with the underlying data on a consumer profile
- Simplifies the process for making consistent risk decisions in multiple geographies and portfolios while incorporating various levels of data within each country
- Rapid implementation within a lender's environment brings the benefits of FICO® Scores without lead times associated with custom scoring developments



## FICO® Score for International Markets

### North, Latin America

Canada  
Mexico  
Peru  
Panama

### Europe, Middle East, Africa

Poland  
Kazakhstan  
Sweden  
Turkey  
Nigeria  
Saudi Arabia  
United Kingdom  
Romania  
Russia  
South Africa  
Israel

### Asia Pacific

Singapore  
Philippines  
India  
Taiwan  
Thailand  
Malaysia  
South Korea  
Indonesia  
China  
Philippines



“FICO has the most widely used world-leading credit bureau scoring models and excellent professional service teams.”

– Lola Chung, Sr. Vice President & General Manager  
Risk Management Department Cathay United Bank



FICO FINANCIAL  
INCLUSION INITIATIVE

## FICO Financial Inclusion Initiative

A path to credit access for hundreds of millions of consumers

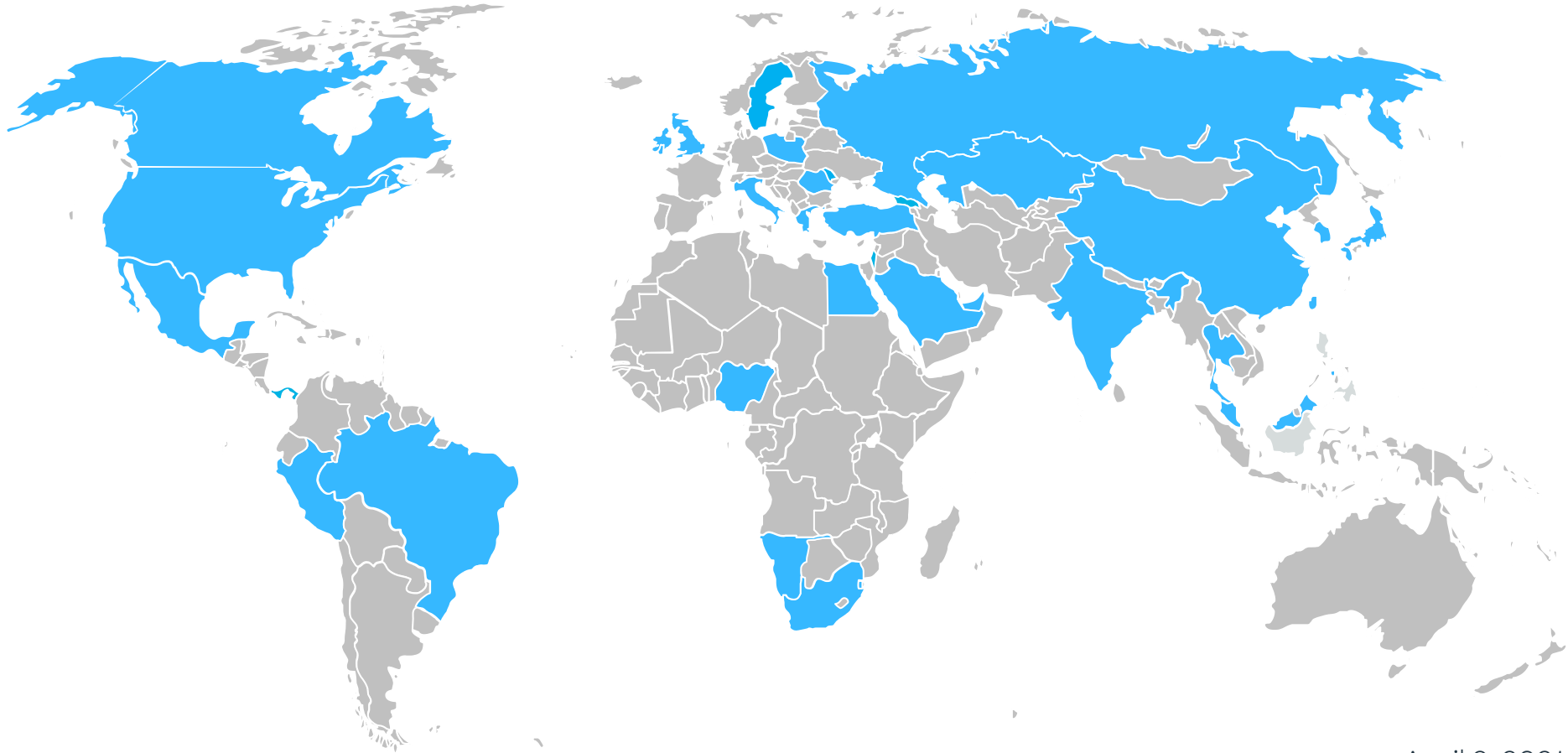
# Facilitating credit access for consumers globally.

1.7 billion unbanked globally

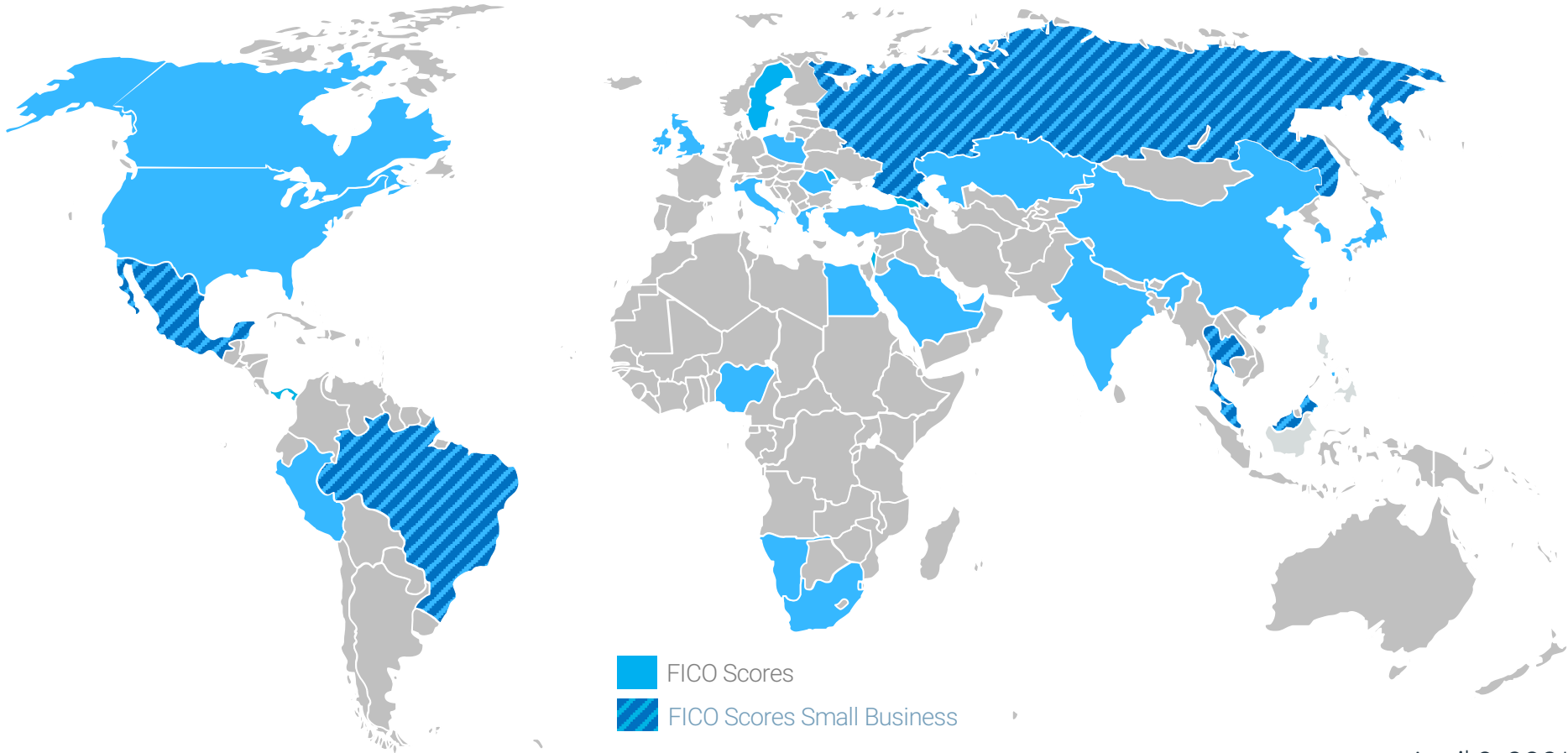
Another 1 billion have no credit history

Empowering consumer credit access fuels economic growth

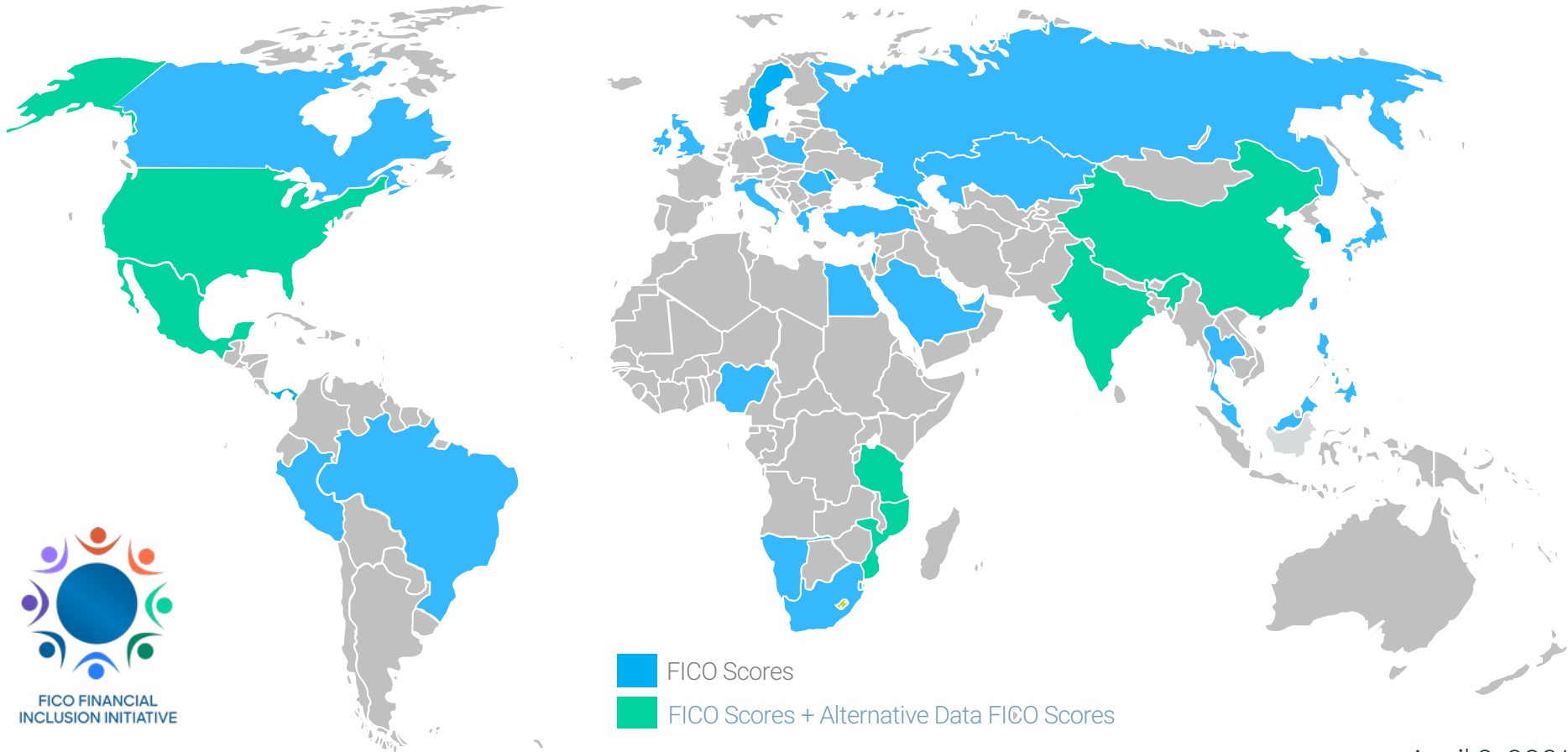
# FICO® Scores Global Coverage and Experience



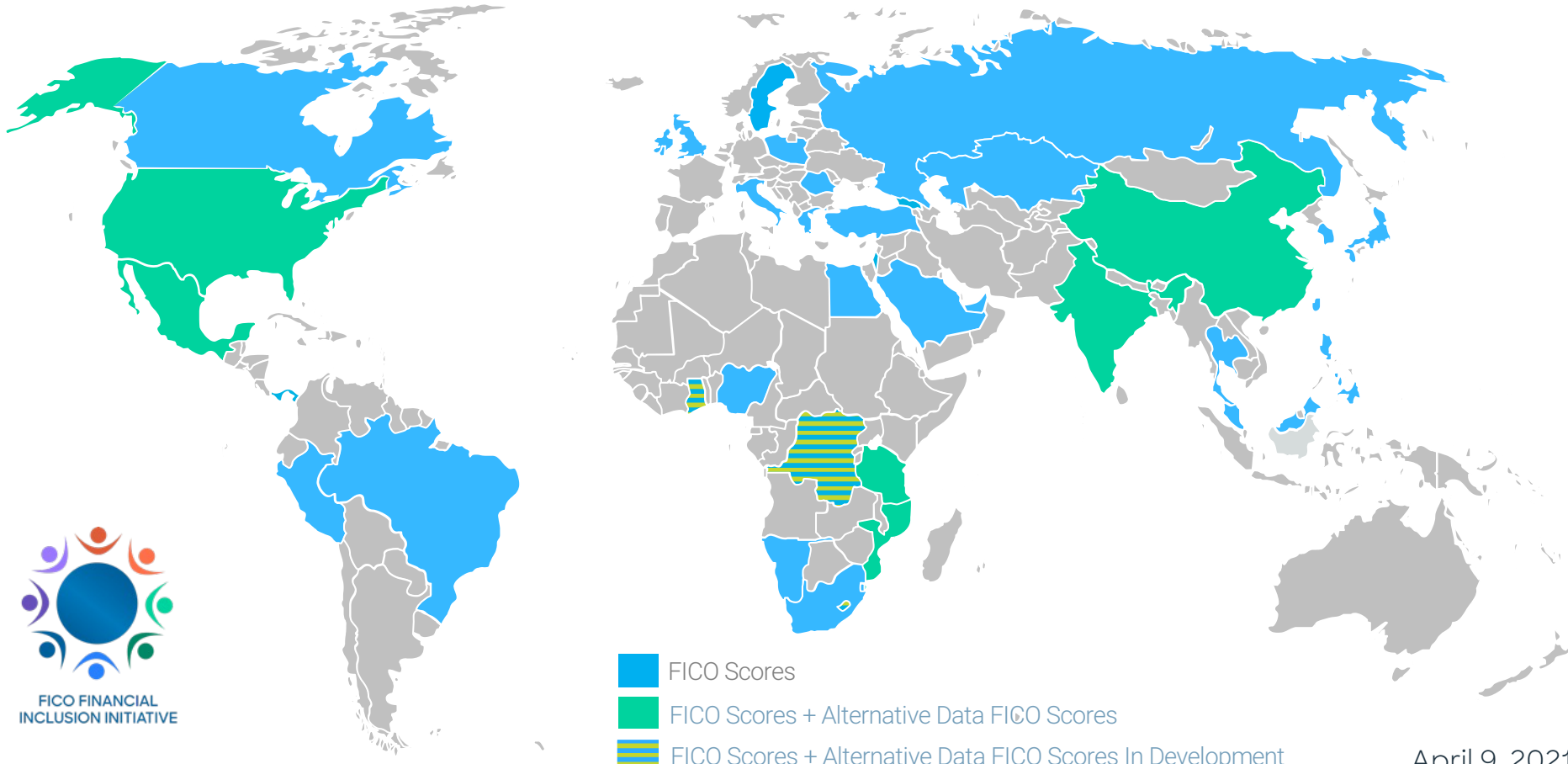
# FICO® Scores Global Coverage and Experience



# FICO® Scores Global Coverage and Experience + Alternative Data Projects



# FICO® Scores Global Coverage and Experience + Alternative Data Projects



“FICO gives millions a path toward a decent credit score.”



– The Wall Street Journal



“New formula would create credit scores for those with no history.”

– The Washington Post

“Finally, a credit score for people with no credit.”

– CNN Money





# Proof Points

## Consumers

FICO® Score  
is used by

**90%**

of the top  
U.S. lenders

The standard you've trusted  
for decades for sound  
lending and investing decisions.

Independent, reliable, trusted and innovative

FICO® Scores were solely cited  
as the credit risk measure  
in a majority of total dollars in  
U.S. Securitizations.

Mercator Advisory Group Asset Back Securitization Study, 2018

FICO® Scores leveraging new  
alternative data sources can offer  
a path to credit access for  
hundreds of millions of consumers

Increasing financial inclusion is in our DNA.

[www.fico.com/financialinclusion](http://www.fico.com/financialinclusion)

# Círculo de Crédito

Mexico City, Mexico

Client



Challenge

Increase credit access for consumers with no credit file or limited credit history.

Solution

FICO® Score for International Markets and FICO® Extended Score

Results

Used 11 million times since 2016, FICO® Extended Score has increased scorable rates by 35% through the addition of household data to traditional bureau data, enabling broader financial inclusion for millions of consumers.

“We recommend FICO because of their knowledge, methodology and the collaborative way they work with partners.”

**Juan Manuel**  
Director, Commercial  
Círculo de Crédito

# Cathay United Bank

Taipei, Taiwan

## Client



## Challenge

Process large volumes of credit decisions efficiently while managing the increased risk associated with retail products.

## Solution

FICO® Score for International Markets

## Results

Substantially increased efficiency in credit risk decisioning process.  
Managed risk effectively to reduce losses by millions USD annually.

“FICO has the most widely used world-leading credit bureau scoring models and excellent professional service teams.”

### Lola Chung

Senior Vice President &  
General Manager Risk  
Management Department,  
Cathay United Bank



# Barclaycard

United States

Client



---

## Challenge

Drive desired customer behaviors: online engagement, risk performance, loyalty and proactive financial health management while meeting demand for transparency.

---

## Solution

FICO® Score Open Access

---

## Results

84% of enrolled cardholders check their FICO® Scores every month. Significantly lower annualized attrition, lower delinquency rate. Credit card utilization by the riskiest cardholders generally declines after enrolling in the program

“The program aligns with our overall business philosophy of being fair and transparent. We are pleased that the preliminary data shows that cardmembers actively accessing this information are becoming better consumers of credit.”

**Paul Wilmore**  
Managing Director of  
Barclaycard

# I-Score

Cairo, Egypt

## Client



## Challenge

Credit bureau needed to help lenders meet growing credit demand and government directives to expand lending to SMEs, home buyers, and microfinance borrowers.

## Solution

FICO® Score for International Markets combined with hosted credit originations services.

## Results

Increased credit offers to retail and commercial applicants previously deemed too risky. Reduced processing costs make microfinancing more viable through more efficient rules-driven automated processing.

“We’re delivering complete solutions that fully support the credit policies of each client in about 25% of the time it would take them to implement a comparable system in-house.”

**Ahmed Abdel Hameed**  
COO, I-Score

# LIFECARD

Tokyo, Japan

Client



---

## Challenge

Growth in the Japanese banking market continues to be hard-won. A contracting population, ultra-low interest rates, shrinking margins and constrained demand means lenders need to find opportunities for innovation.

---


## Solution

FICO® Score for International Markets

---

## Results

LIFECARD has validated their approach by measuring the FICO Score's performance and stability. They confirmed its high level of predictive performance using more than 300,000 sample accounts.



“To grow our share-of-wallet we needed a way to differentiate our approach to lending, and offering proactive credit limit increases and personal loan offers our customers offered us that. Using the to FICO® Score, we can do this in a responsible and profitable manner.”

**Shinichiro Okuyama**  
Executive Officer,  
LifeCard

# Capital Services

United States

Client



CAPITAL SERVICES

Challenge

How to increase unique scorable universe and analytic performance to provide superior customer value while ensuring stable performance over time and easy preparation for regulatory reviews.

Solution

FICO® Score 9

Results

Deliver innovative service to thousands of account worldwide using a market leader, trusted advisor & safe choice to create more client confidence.

“FICO is seen as an industry leader in model development technology, strategy, in pretty much anything when it comes to data and data mining analytics. I believe FICO® Score 9 is a very robust model that could provide a predictive power advantage moving forward.”

**Alfred Furth, PhD**  
Vice President/Chief Data Scientist, Capital Services



Thank You!

**Presenter Name**

Title, Company