

# CreditVision

Introducing TransUnion CreditVision – Canada’s next generation risk solution.

## Analyze and predict consumer credit behaviour with improved accuracy

TransUnion® CreditVision™ is a new suite of solutions that can help you make more precise lending decisions based on the enhanced ability to identify specific consumer behaviours. Rather than looking at a single snapshot in time, CreditVision incorporates up to 24 months of account history – along with actual payment amounts – to provide insights into consumer behaviour.

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

Whether your institution is refining existing strategies or developing entirely new policies, CreditVision can help your institution understand risk indicators and direction of specific consumer behaviours. This can help you define consumer credit stability, product offerings and risk segmentation.

An intensive analysis of thousands of attributes in TransUnion’s historical audit trail data uncovered more than 300 highly predictive algorithms that were segmented into sets to align with lender strategies.

## Trended data allows for improved accuracy of predicting future behaviour

Access to additional dimensions of consumer behaviour supports improved lending decisions.

**TRADITIONAL BUREAU DATA**

With standard credit information, see the consumer’s balance at the point in time when the credit report is ordered.

- What will the balance be in the future months?
- How will this impact a credit decision?

**TRANSUNION CREDITVISION**

Obtain a much more granular view of consumer behavior.

- Now, what will be the balance be in future months?
- Would the decision have changed?

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

**FUTURE SPEND BY CURRENT BALANCE**

TOTAL CARD BALANCE POINT IN TIME	TOTAL CARD SPEND NEXT 12 MONTHS				
	Lowest Spend	Highest Spend			
Lowest Balance	13.4%	8.4%	1.5%	0.6%	0.1%
	4.7%	8.2%	4.4%	2.6%	1.1%
	0.5%	3.9%	6.2%	5.9%	3.6%
	0.6%	2.8%	4.2%	5.5%	7.0%
Highest Balance	0.8%	1.9%	3.7%	5.5%	8.2%

**FUTURE SPEND BY PASTSPEND**

TOTAL CARD BALANCE POINT IN TIME	TOTAL CARD SPEND NEXT 12 MONTHS				
	Lowest Spend	Highest Spend			
Lowest Balance	15.8%	2.8%	0.8%	0.4%	0.1%
	2.0%	10.5%	4.9%	1.5%	0.3%
	0.8%	4.8%	8.5%	4.9%	1.0%
	0.3%	1.5%	4.8%	8.9%	4.4%
Highest Balance	0.1%	0.4%	1.1%	4.3%	14.2%

42% LIFT

If consumer spending patterns are relatively consistent, a more effective way to predict future spend is by looking at the past – a lens not available through traditional, static credit data.

# Understand key consumer behaviour patterns such as revolving credit, balance build and loyalty to enhance strategies.

## TRANSUNION CREDITVISION PREMIUM ALGORITHMS

### Revolver

Improve segmentation by assigning more effective treatment strategies. Bankcard and retail tradelines are defined as transacting, revolving or inactive for the previous 24 months. Revolver algorithms are built in combination with historical credit limits, as well as balances and payments at the tradeline and aggregated to the consumer level.

### CAPTURE CONSUMERS THAT DRIVE PROFIT

- Better align product offers to consumer behaviour
- Increase response rates by targeting revolver/transactor behaviour with the appropriate product offer

### IDENTIFY CONSUMERS THAT MAY INDICATE HIGHER RISK

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

### Payment

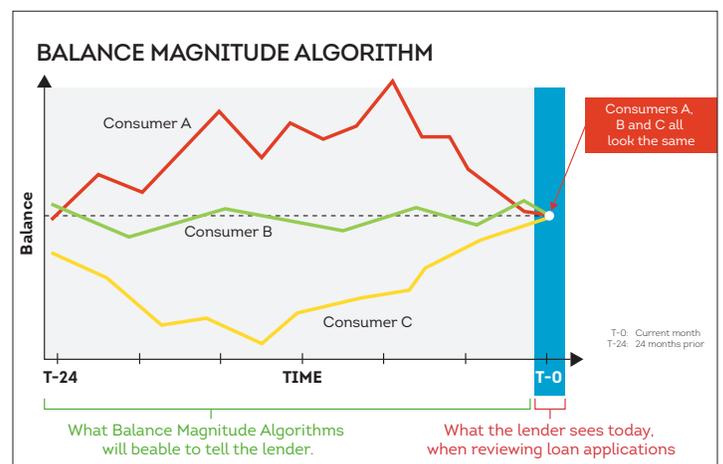
Better understand consumers' ability and likelihood to pay by evaluating payment behaviour over time. Payment algorithms identify payment-based credit behaviours such as actual-to minimum payment, prepayment frequency and amount.

- Capture consumer behaviour that drives profit or indicates risk
- Identify consumers 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 direction and recency of balance change over the past 24 months.

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



## IMPROVE YOUR STRATEGIES ACROSS THE CUSTOMER LIFECYCLE



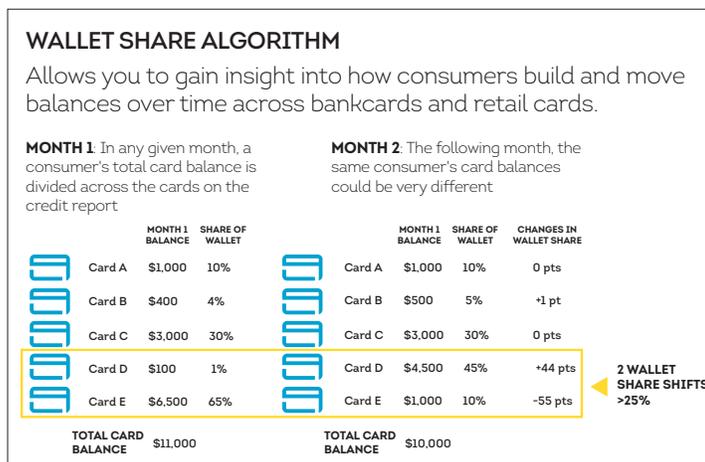
Marketing, including:

- Better target potential loan consolidation consumers by understanding revolver vs. transactor behaviour and balance shifts over time
- Understand consumer balance build off-portfolio and how it affects your receivables

## Wallet Share

Gain insight into how consumers build and move balances across bankcards and retail cards over time. Wallet Share algorithms capture bankcard trade 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 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 behaviour, and refine risk and marketing strategies. Spend algorithms analyze customer spending patterns such as aggregate wallet spend, seasonal spend patterns and year-over-year spending trends.

- Identify and target high spenders and increasing spenders
- Manage exposure to higher-risk revolvers while improving high spender usage

## General

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



### Risk management, including:

- Quantify and address the risk associated with revolvers vs. transactors
- More effectively predict risk using up to 24 months of consumer's credit history



### Collections, including:

- Prioritize accounts in collection by using consumer's actual payments



### LEARN MORE

To learn more or to set up a product demonstration, contact your TransUnion representative.

Visit [transunion.ca/business](https://transunion.ca/business)

Call [1-855-488-4636](tel:1-855-488-4636) option 4

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