

FinancialRiskScoreSM Plus Driven By D&B Data

Is proven to be the most predictive for managing existing customer risk and allows more accounts to be scored.

What Is FinancialRiskScore Plus?

FinancialRiskScore Plus is a statistical commercial collection and portfolio management model for installment loans and lines of credit. The model predicts the probability of severe delinquency (you determine bad definition) or loss at some point between six and twenty-four months from the date of the score. This multifunctional model helps banks and financial services companies implement risk-based collections and can be used for new credit authorizations with existing customers, portfolio management and credit line management.

Scoring Is Not A One Size Fits All Technology

There are scores designed for specific applications and there are different methodologies. The two primary uses of scoring for banks and financial services companies are new account evaluation and portfolio credit and collection management. The primary scoring methodologies are judgmental/rules based and statistical based. The bureau/generic scorecards and FinancialRiskScore Plus are statistical based models, but bureau/generic scorecards are traditionally designed for new account risk assessment, because they do not use customer payment data, which is the most predictive for existing account risk assessment.

What Type Of Scoring Provides Greater Benefits For Portfolio Management?

	Judgmental/Rules Scorecards	Bureau/Generic Scorecards	FinancialRiskScore SM Plus
Designed for credit and collection portfolio management	Rarely	No	Yes
Designed for new account evaluation	Yes	Yes	No
Statistically validated on your portfolio to prove performance	No	Rarely	Yes
Leverages predictive power of your internal data	Sometimes	No	Yes
Score and decision all existing accounts	Sometimes	No	Yes
Quantifies risk with a validated probability of BAD on your portfolio	No	No	Yes
Calculates your outstanding loan dollars at risk	No	No	Yes

New FinancialRiskScore Plus More Predictive, Better Results Because It's Driven By D&B Data

This ground-breaking predictive scoring model was developed to meet banks and financial services companies demand to have a portfolio risk assessment tool specifically designed to cost-effectively manage delinquency risk in their portfolio. The powerful combination of internal performance data blended with D&B data, makes this the most predictive scoring model on the market today.

FinancialRiskScore Plus Benefits

- ◆ Reduces average days delinquent and write-offs
- ◆ Increases the efficiency of operations through better resource allocation
- ◆ Superior collection prioritization by knowing the probability of BAD (PBAD) and the Dollars at Risk (DAR) based on a validation of the model on your accounts
- ◆ Client determines the BAD definition (objective) for the model
- ◆ Greater predictiveness by blending creditor's A/R and internal performance data with D&B commercial bureau data
- ◆ Scores more accounts, small, mid-size, and private company accounts (no hits) by using your internal data

FinancialRiskScore Plus Output

- ◆ Scores are on a scale from 0 to 100
- ◆ The probability that the account will go bad within 6-24 months from the date of score (PBAD)
- ◆ The account's Risk Class, which is used as the basis for applying collection strategies
- ◆ Dollars at Risk (DAR), the dollar value of an account's outstanding balance at risk
- ◆ Multiple Adverse Reason Codes that explain why the account scored the way it did

FinancialRiskScore Plus easily integrates with ERPs, collection software, D&B risk management software including DNBi and eRAM/RAM or PredictiveMetrics' web-hosted ScoreMinerSM report and query system.

FinancialRiskScore Plus Validation Results by Risk Class

To prove FinancialRiskScore Plus is the most predictive scoring solution available, we offer to provide a FREE Validation Analysis to help you evaluate how well, blending your own customer data with D&B data, the model predicts future payment performance.

Below is a sample report that shows the accounts allocated into 6 risk groups based on their score. This analysis shows the model's ability to differentiate future problem payers from future timely payers and quantifies how accurately FinancialRiskScore Plus predicted future customer payment behavior.

ANALYSIS OF FINANCIALRISKSORE PLUS OUTPUT

Average Number of Accounts per Month in Validation Sample - 38,028

Risk Class	Score Range	Average Number of Accounts in Risk Class	Percent of Accounts in Risk Class	Cumulative Percent of Accounts Through Risk Class	Number of BAD Accounts in Risk Class	BAD Rate in Risk Class	Cumulative Percent BAD Through Risk Class
Extreme	≤32.19	1,939	5.1%	5.1%	1,037	53.5%	29.9%
Very High	32.2 to 40.51	2,034	5.4%	10.5%	626	30.8%	47.9%
High	40.52 to 50.66	2,981	7.8%	18.3%	552	18.5%	63.8%
Moderate	50.67 to 70.48	7,290	19.2%	37.5%	698	9.6%	83.9%
Low	70.49 to 81	7,819	20.6%	58.0%	255	3.3%	91.3%
Very Low	>81	15,964	42.0%	100.0%	303	1.9%	100.0%

To Request A Free Retrospective Validation To Evaluate How Well
FinancialRiskScore Plus Works On Your Portfolio Contact Michael Colasurdo
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About PredictiveMetrics

Founded in 1995, PredictiveMetrics, Inc. is a global leader in providing predictive scoring and analytical decision solutions using advanced statistical techniques for credit, collections and debt recovery. Turning probabilities into profits, PredictiveMetrics' decision technology spans many industries, types of financing, and ages of debt. By using our customers business expertise combined with our data, modeling, and resource capabilities, PredictiveMetrics provides superior predictive decision technology for companies worldwide.

About D&B

D&B (NYSE:DNB) is the world's leading source of commercial information and insight on businesses, enabling companies to Decide with Confidence[®] for 167 years. D&B's global commercial database contains more than 150 million business records. The database is enhanced by D&B's proprietary DUNSRight[®] Quality Process, which provides customers with quality business information. This quality information is the foundation of D&B's global solutions that customers rely on to make critical business decisions.



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