CreditVision 4 Business (CV4B)

Providing traditional credit providers with an automated risk assessment tool within the business segment.

The state of the economy over the last few years has greatly impacted cash flow and liquidity in the business community. Late payments and non-payment of loan commitments are becoming more common, which means proactive and efficient risk management is vital to business success for lenders in this market.

To avoid incorrect loan appraisals, lenders need to be certain of the risk they are taking on. This will allow them to extend credit to the right customers at the right price — with suitable limits and terms — to maximise profits. Our CreditVision 4 Business (CV4B) scorecard determines the likelihood of a business defaulting on a credit facility within 12 months of inception. Based on pbVerify's extensive commercial database, the scorecard suite uses over 200 predictive characteristics to determine this likelihood. Our solution helps lenders harness the power of alternative data sources, together with a multidimensional evaluation of risk, to provide insight into how likely a business is to repay its debt.

Benefits

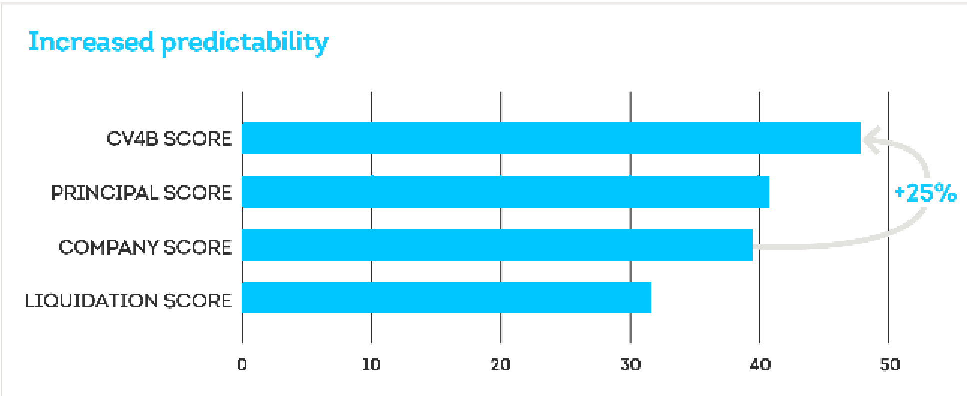
- Eliminate manual reviews and improve your portfolio risk management.
- Take action on existing customers who are showing signs of distress.
- Keep credit risk exposure within acceptable parameters.
- Implement targeted marketing strategies.
- Offer the right price and terms to customers based on risk levels.
- Assess risk of existing portfolio for collections purposes.

Establish delinquency risk before extending credit

Before extending credit, you need to be certain that a business can make its repayments to you. While the going concern of a business is an important indicator, it doesn't give lenders a holistic view of the associated delinquency risk. It can take months for liquidation to take effect. The longer a business struggles, the more debt piles up and the harder it is to recoup your money. This is where the power of CV4B lies: **it provides a transparent view of a business's default risk by using its going concern status merely as an indicator and not the final outcome of the score.** The default probability of a business is essential for loan appraisal and this information can be used to price, set limits and terms for each customer, and ensure the safety of your money.

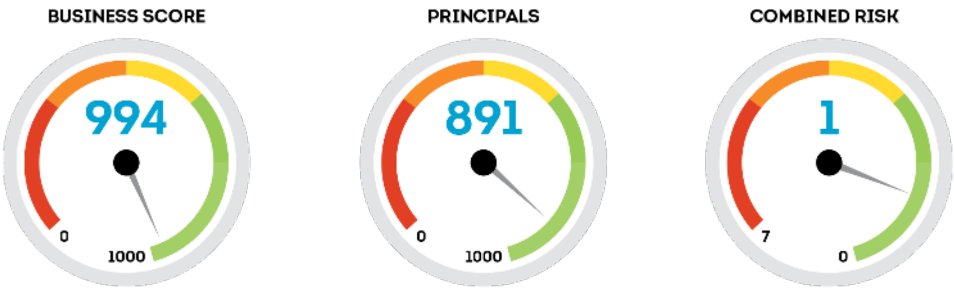
Multiple dimensions for increased predictive strength

The performance of a business's directors has been found to be highly predictive of its delinquency. CV4B analyses a prospective business customer and its principals to assign a score to each. These scores represent the risk associated with the commercial customer as well as the risk associated with the principals. These scores are statistically combined to give credit grantors the most accurate view of business risk. Overlaying company-specific data with principal or director data improves the scorecard performance by 25%: maximising predictive power and increasing accuracy.



Easy-to-understand output

CV4B provides a three-digit company score and a three-digit principal score. The two scores are banded into seven easy-to-interpret overall risk bands, ranging from C1 (lowest risk companies) to C7 (highest risk companies).



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