

INNOVATIONS IN CREDIT SCORING

can transform economies and lives. But success relies on the data driving the models. Imagine if you could:

- Maximize revenue and profitability of credit products and decisions.
- Lower risk by factoring in changing market and economic models.

VOLATILE MARKET & ECONOMIC RATES



Credit card delinquency rate fell **38 basis points**.¹



4.2% inflation - up 2.6%⁵



Auto loans declined **14 basis points**.¹



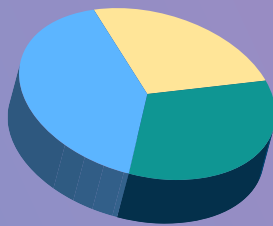
6.1% unemployment April 2021⁶



Federally insured credit unions down **10 basis points**.³

ALL-TIME USAGE RECORDS

Revolvers hit a low, transactors hit a high



- **25.6%**⁴ Transactors
- **33.7%**⁴ Dormants
- **40.7%**⁴ Revolvers

ORIGINATIONS DOWN



Credit cards down 34%¹
Average new account credit line declined 28%.¹

Subprime auto loans down 21%¹
Average credit score needed for a nonprime loan up 80 points from 2008.²

SAS® PROFITABILITY MODEL APPROACH

Innovate credit scoring beyond a probability of default so you can:



- Respond quickly to macroeconomic changes.
- Leverage a wide array of data sources.
- Make profit-based decisions.
- Gain insights at the individual borrower level.
- Utilize open source and/or existing SAS investment.
- Automate and deploy into existing processes.

PROFIT-BASED SCORING MODEL FACTORS

- Probability of default
- Credit line
- Revolvers or transactors
- Cost of acquisition
- Customer lifetime value



SAS DELIVERS RESULTS:

- Increase revenue of new credit products 1%-5%.
- Respond quickly to changing economic and market conditions.
- Decrease time to value with automation and integration.

Learn how SAS advanced analytics can help you reimagine credit scoring at sas.com/smbfinserv

¹Consumer Credit Activity Continues to Rise From Pandemic Lows; Auto Loan Subprime Performance Lags." Nasdaq, February 18, 2021.

²de Best, Raynor. "U.S. Non-prime Loans by Type 2020." Statista, January 27, 2021.

³National Credit Union Administration Quarterly Credit Union Data Summary, 2020, Q4.

⁴Credit Card Market Monitor." American Bankers Association, February 9, 2021.

⁵"Current US Inflation Rates: 2000-2021." US Inflation Calculator." US Inflation Calculator, May 12, 2021.

⁶Statista Research Department. "U.S. Unemployment Rate: Adjusted, March 2021." Statista, May 10, 2021.