



Collection tech showcase

Experian® Optimize and PowerCurve®
Customer Management

February 29, 2024



Today's Agenda

Introduction

Consumer credit and economic trends

Scoring and consumer data

Simplifying collection decisions

Product demo

PowerCurve® Customer Management and Experian® Optimize

Q&A



Introduction



Matthew Baltzer

Sr. Director,
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Sr. Director,
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Consumer credit and economic trends

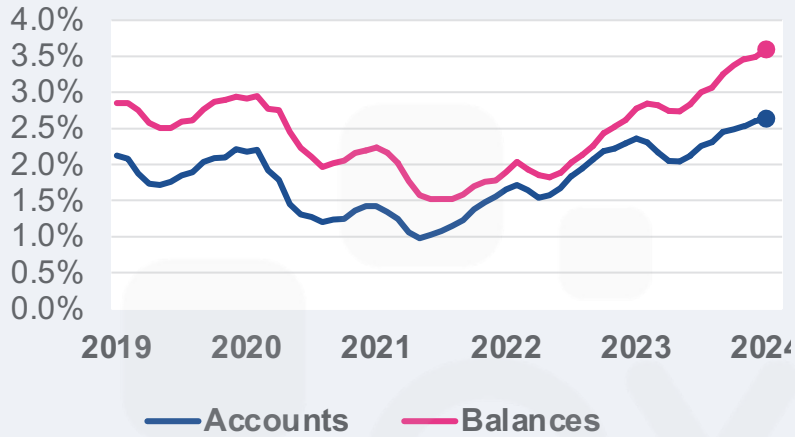


Matthew Baltzer
Sr. Director, Collection Product Management

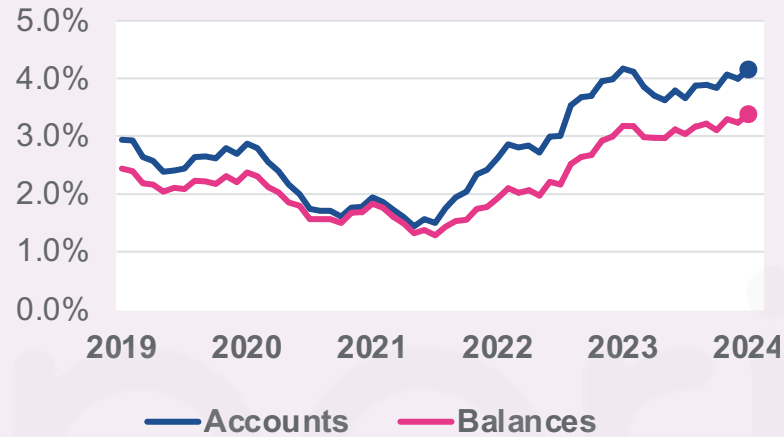


Delinquencies have continued to climb

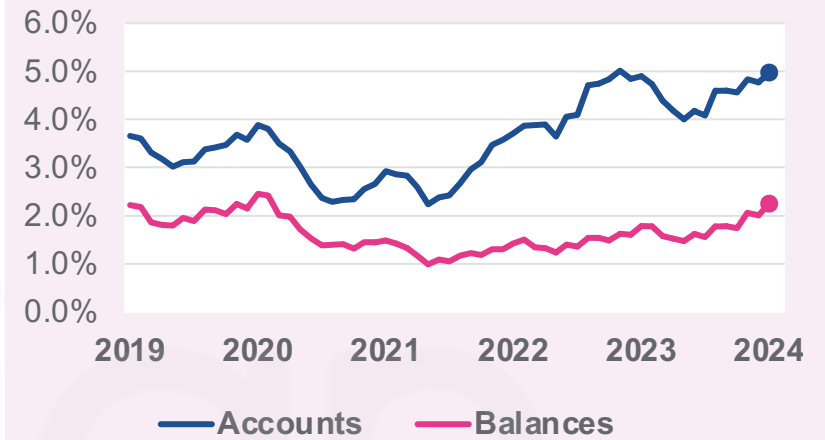
Bankcard



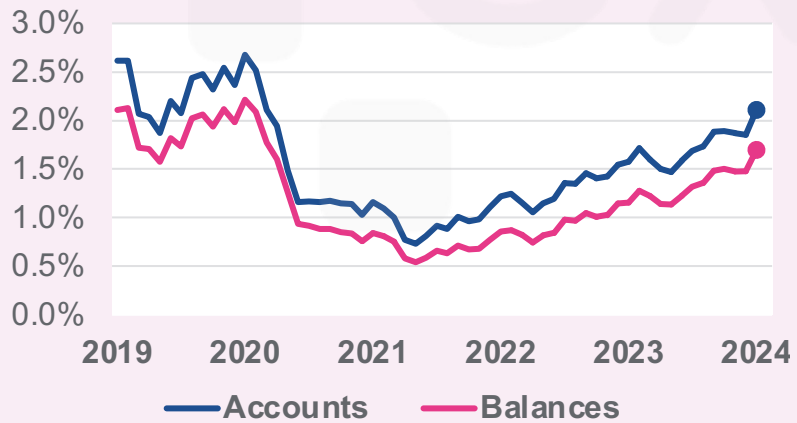
Unsecured Personal Loan



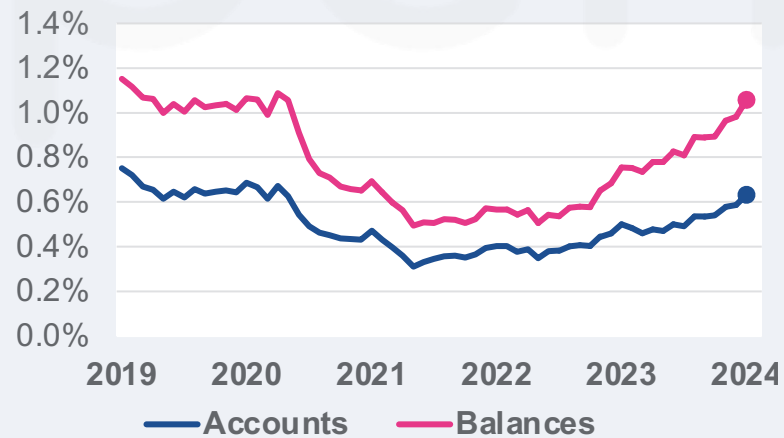
Personal Loan



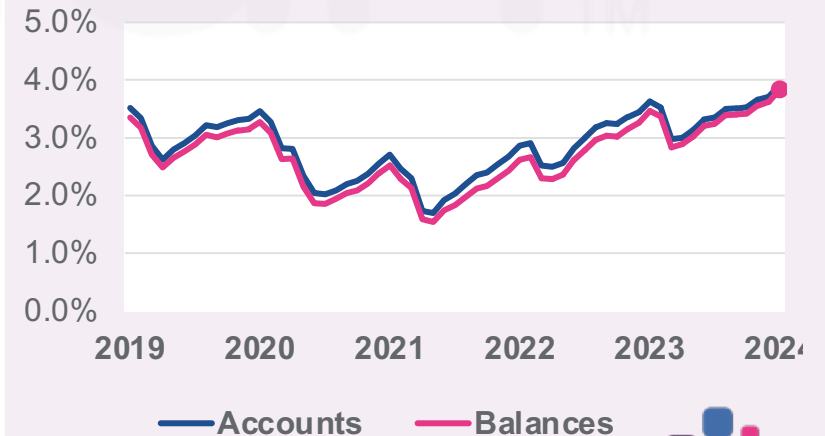
Mortgage



HELOC



Auto



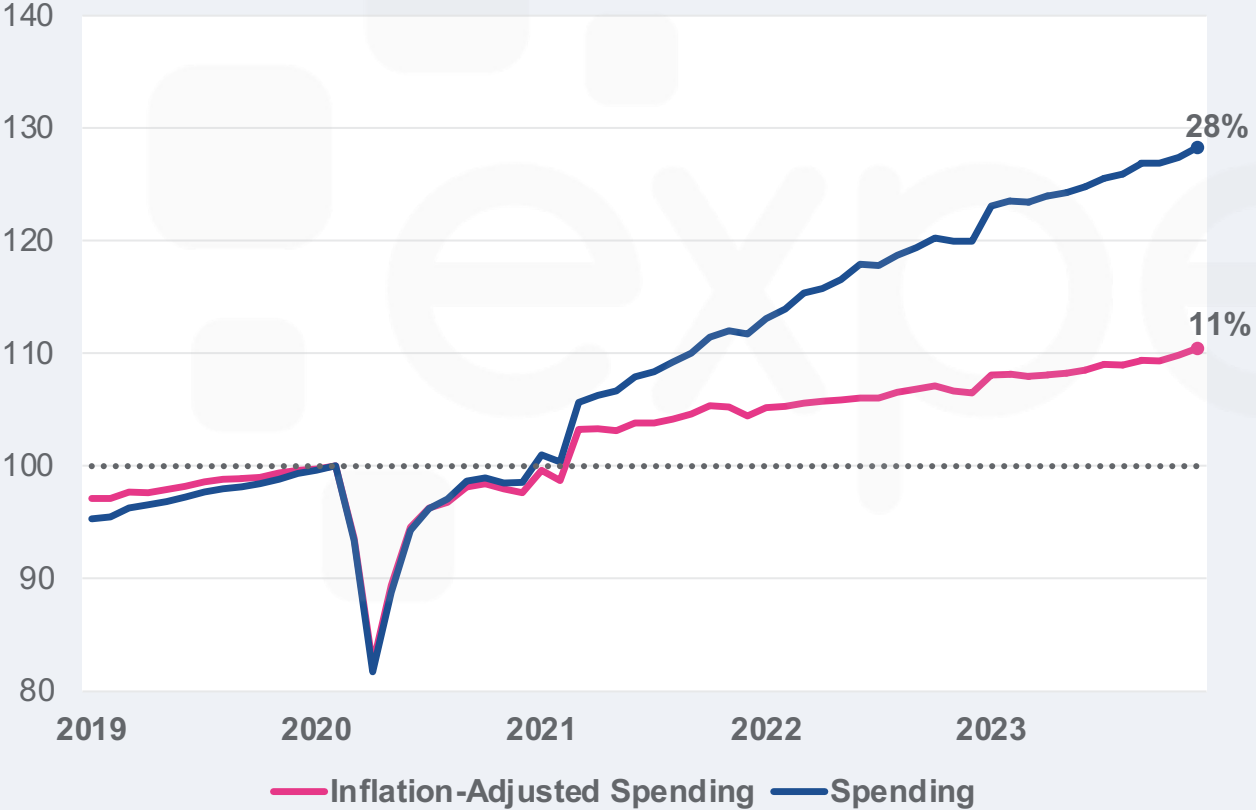
Source: Experian Ascend Market Insights Dashboard



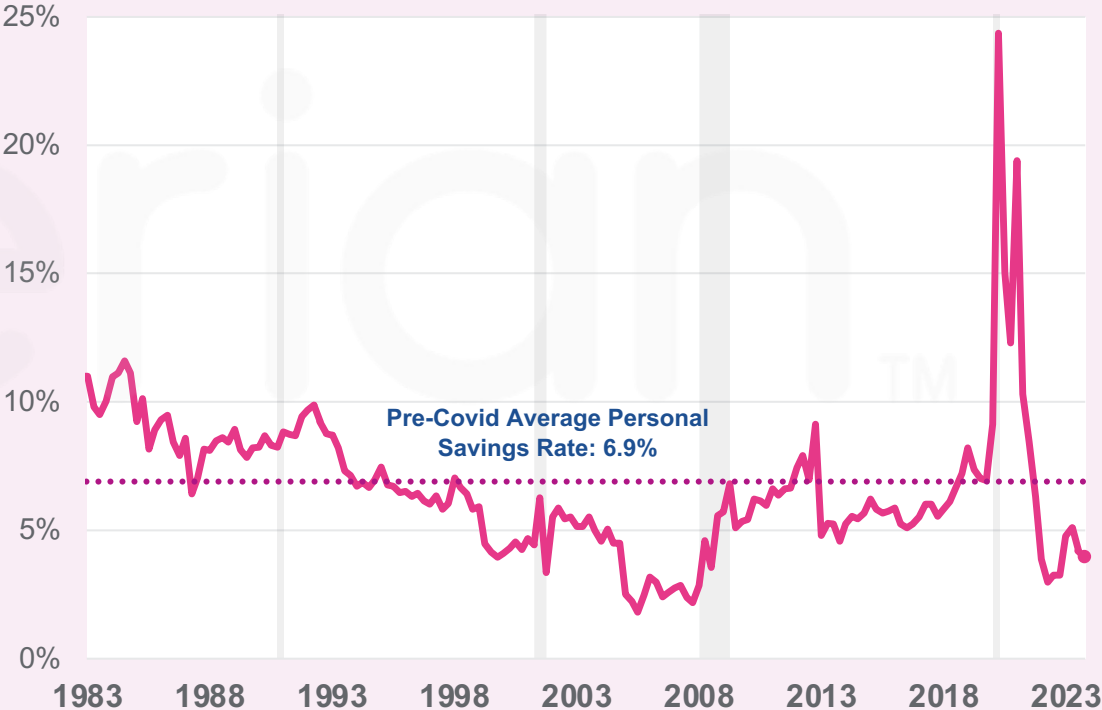
Consumer spending well above pre-pandemic levels

— Consumers continue to spend larger portion of earnings and save less

Consumer Spending Index: Feb 2020 =100



Personal Savings Rate



Sources: Bureau of Economic Analysis and Author's Calculation



Scoring and consumer data



Matthew Baltzer
Sr. Director, Collection Product Management



Probability-to-Pay ScoresSM

— Predict the likelihood of payment to avoid rolling to the next delinquency status



Improve predictive value with trade-level scoring

- Optimize resource allocation and engagement strategies.
- Improve loss forecasting and roll rate analysis.
- Enable better recovery rates and cure strategies.



Jane Doe

Customer of Bank B

Credit score	720
Bank B balance	\$5,000
Status	30 DPD

Trade Level Attributes



Trended Attributes



Probability-to-Pay Score

Score explanation

The consumer's performance over time on **a bank's trade** versus other trades including:

- ✓ Spending
- ✓ Delinquency history
- ✓ Position in wallet signals

The customer's performance over time **across all trades**, which informs the direction they are trending:

- ✓ Utilization
- ✓ Delinquency history
- ✓ Payment behavior

Bank A 640

Bank B 715

Bank C 780

Jane Doe will receive a score indicating the likelihood of payment.

Bank B's score is different because of the propriety trade data the model used from Bank B.

Scores range between 1 – 999 (higher indicates more likely to pay.)



PriorityScoreSM

— Enable segmentation and rank-ordering based on collectability



Industry-specific model and client relationship data to improve recovery

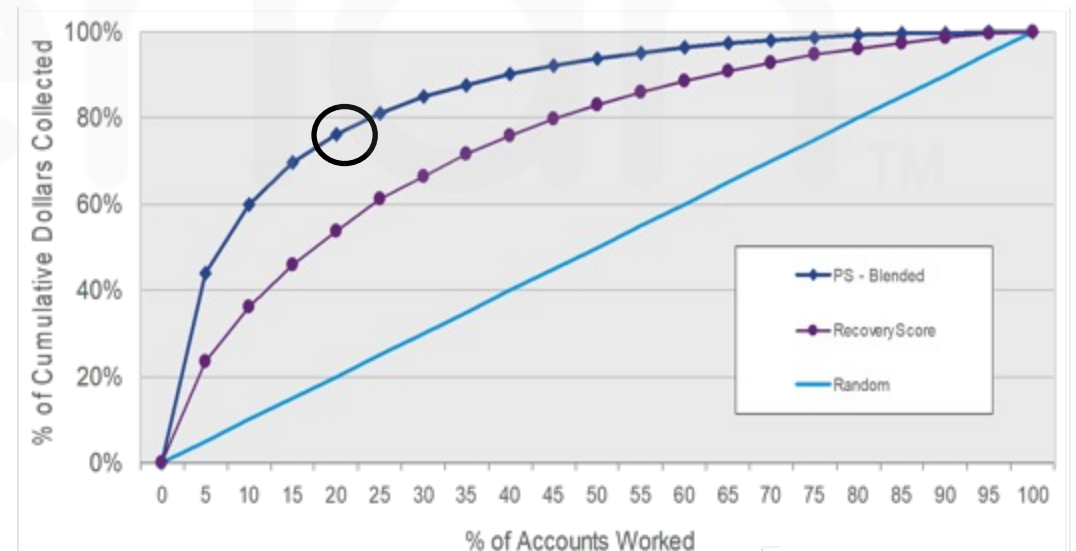
Industries include:

- Card
- Auto
- Utility
- Healthcare
- Student lending

Dollar score (\$0–100k): indicates expected recoverable amount, used for strategies focusing on overall cash recovery.

Customer	Balance	Incidence score	Dollar score
C	\$3,500	740	\$1,000
B	\$2,000	700	\$600
A	\$2,000	750	\$550
E	\$4,000	600	\$500
D	\$2,500	650	\$400

Sample PriorityScoreSM validation shows 76% of dollars recovered in the top 20% of accounts



Trended data differentiates consumers over time

Key advantages

- Improves accuracy
- Helps creditworthy borrowers gain greater access to credit
- Permitted for adverse

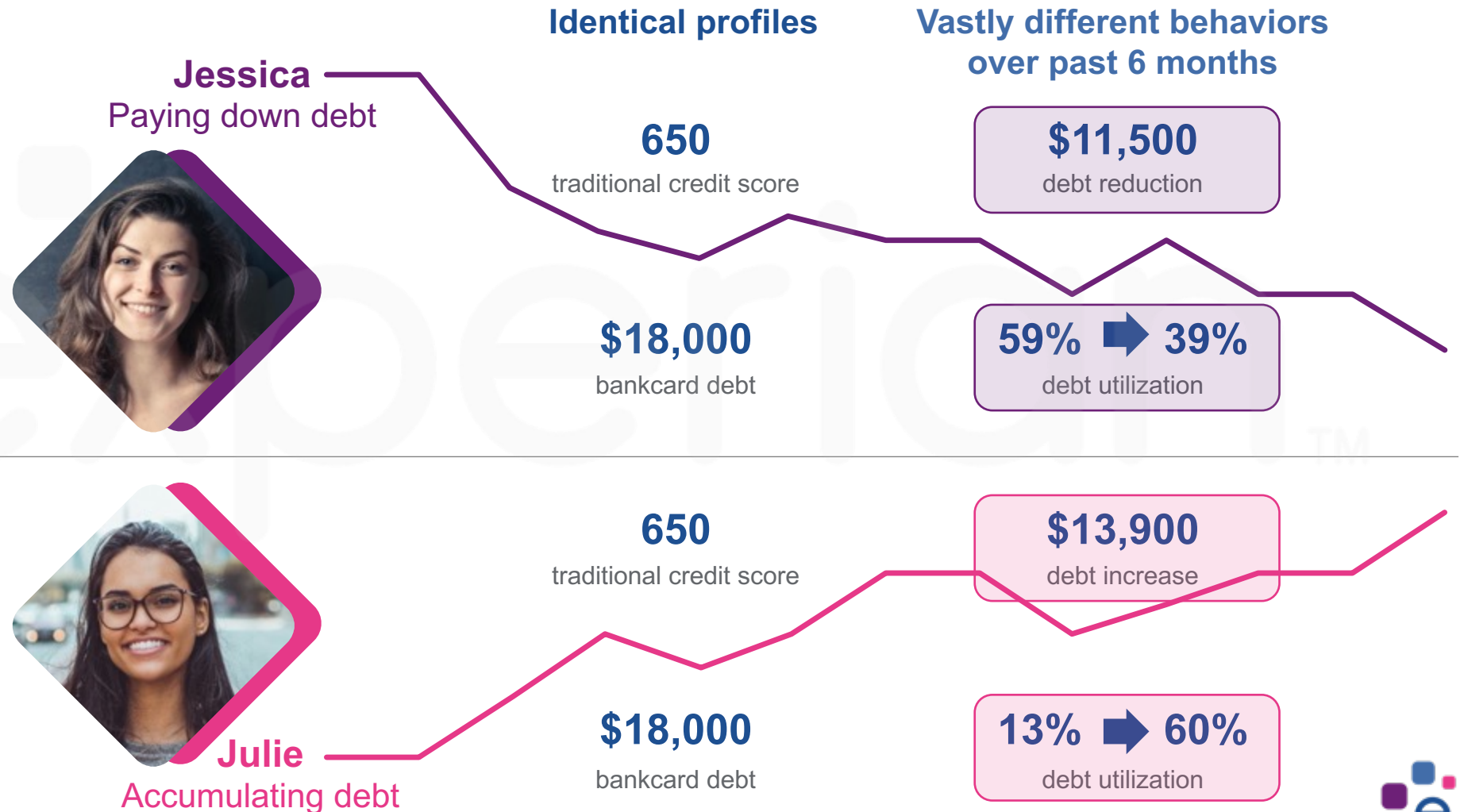
24 months

historical balance and payment data on every trade

5 key fields per trade

Balance amount

- Original loan/credit Limit
- Minimum/scheduled payment due
- Actual payment amount
- Last payment date



Experian's Premier AttributesSM

— Attributes become the building blocks in every decision you make

Most advanced and comprehensive attributes in the market

Complex consumer credit information on 220 million U.S. consumers is converted into actionable data elements.

Greater predictive power and analytical precision

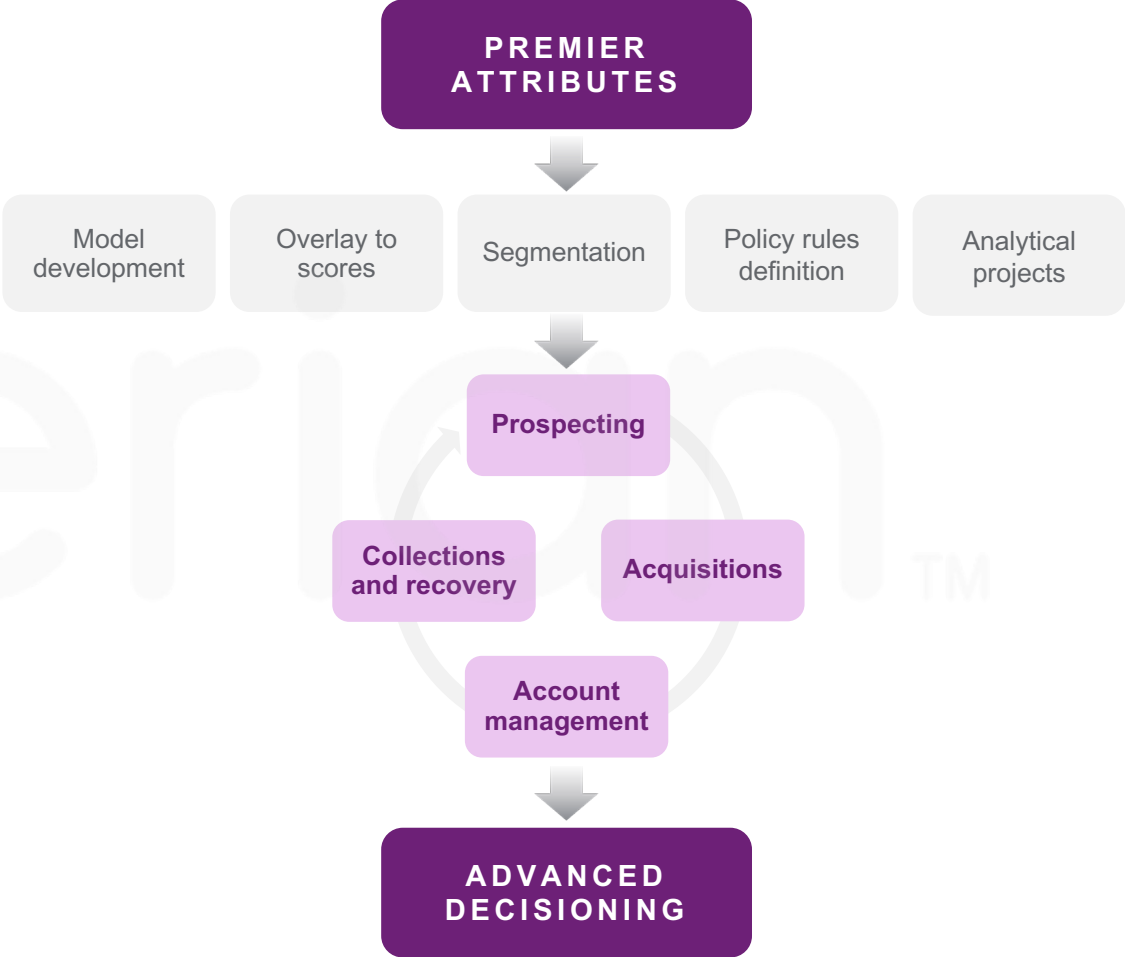
Most advanced and comprehensive attributes showing 3-7% lift when compared to other bureaus' proprietary attributes on their own data.

Rigorous attribute governance

Expert attribute management with monthly monitoring and validation of raw data elements and tracking the performance of each attribute over time to ensure continued integrity and stability.

2,100+
Credit attributes

51
Industry classifications



Across industries and risk segments



ML-powered, custom collection models reduce write-offs, increase recovery volume, and improve operational efficiency

Pre-delinquency

Early-stage collections

Mid-stage collections

Late-stage collections

Recoveries



Custom collection model build

Decades of experience building custom collections models and providing impactful results for clients



Powerful results

Identify and prioritize accounts most likely to recover



Rapid deployment

Deploy models seamlessly into existing collections systems



Regulatory compliance

Transparent and explainable models with regulatory documentation provided



Simplifying collection decisions



Holly Deason
Sr. Director, Solution Engineering



Design an optimized decision tree

— Determining the optimal treatment at the customer level

Designed based on your specific portfolio level goals and business constraints



Goal

Ex: Maximum recovery



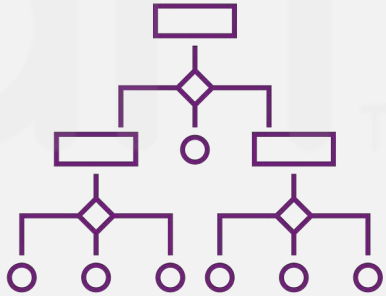
Constraint

Ex: Daily budget

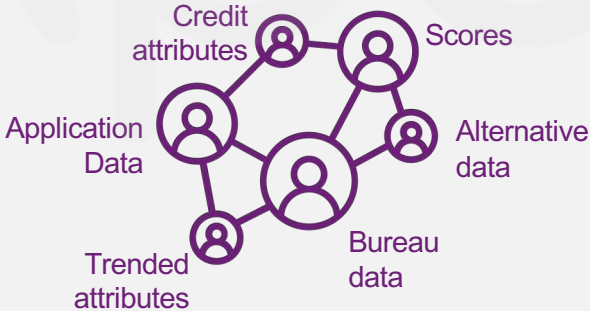


OPTIMIZED DECISION TREE

Determine the optimal groups for each action across your entire portfolio

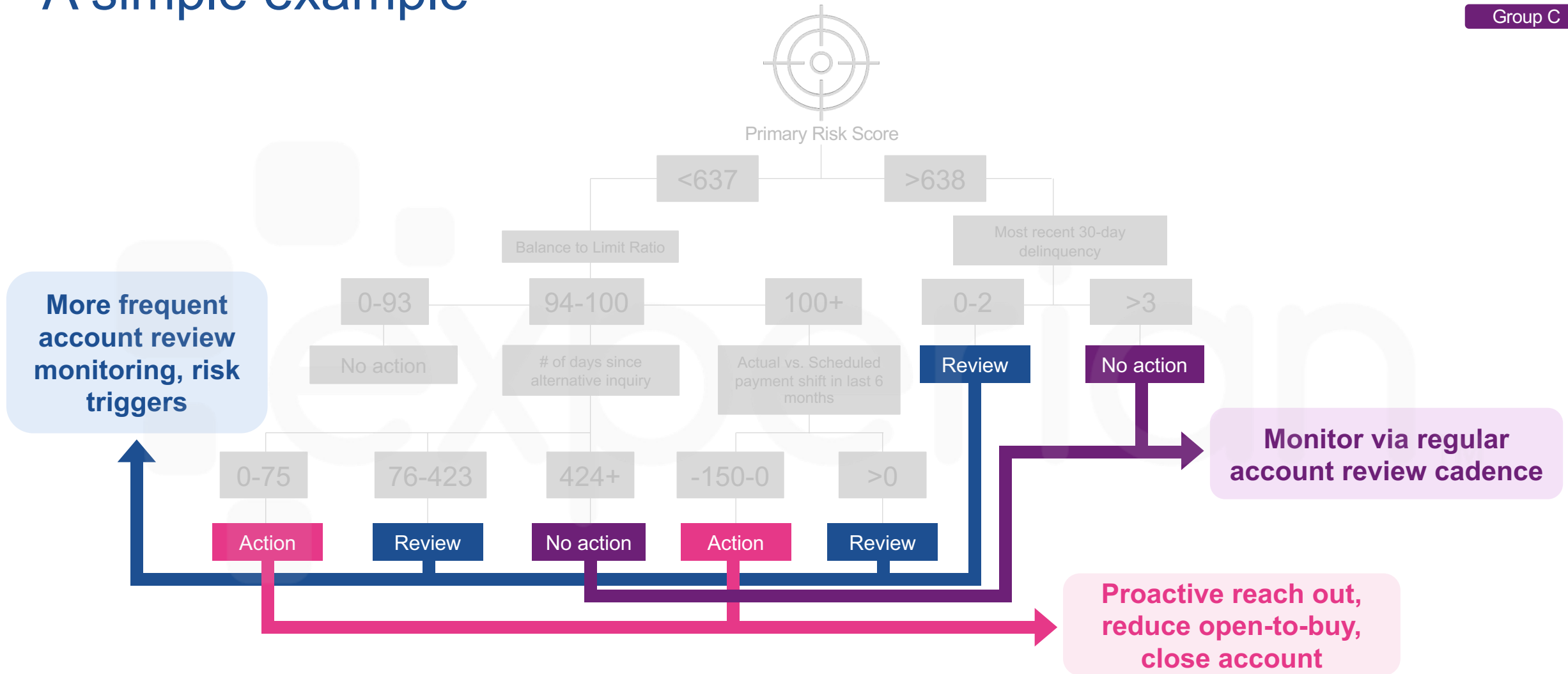


Using the most predictive data, attributes, and scores for your population

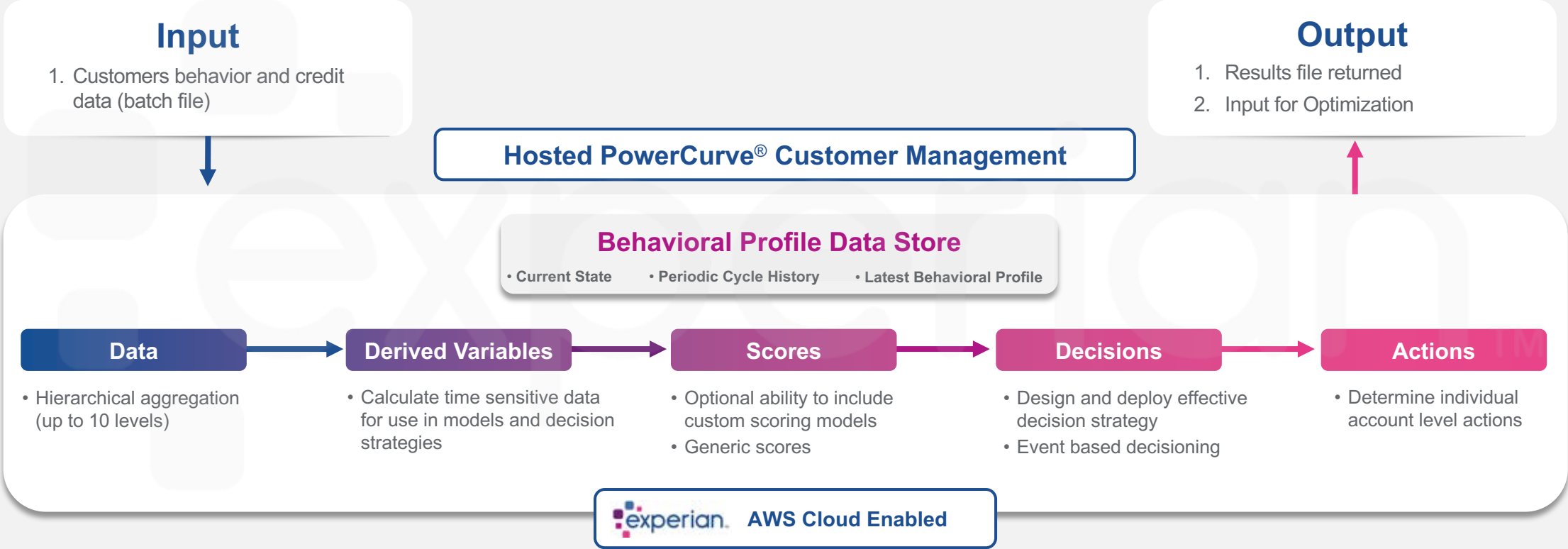


A simple example

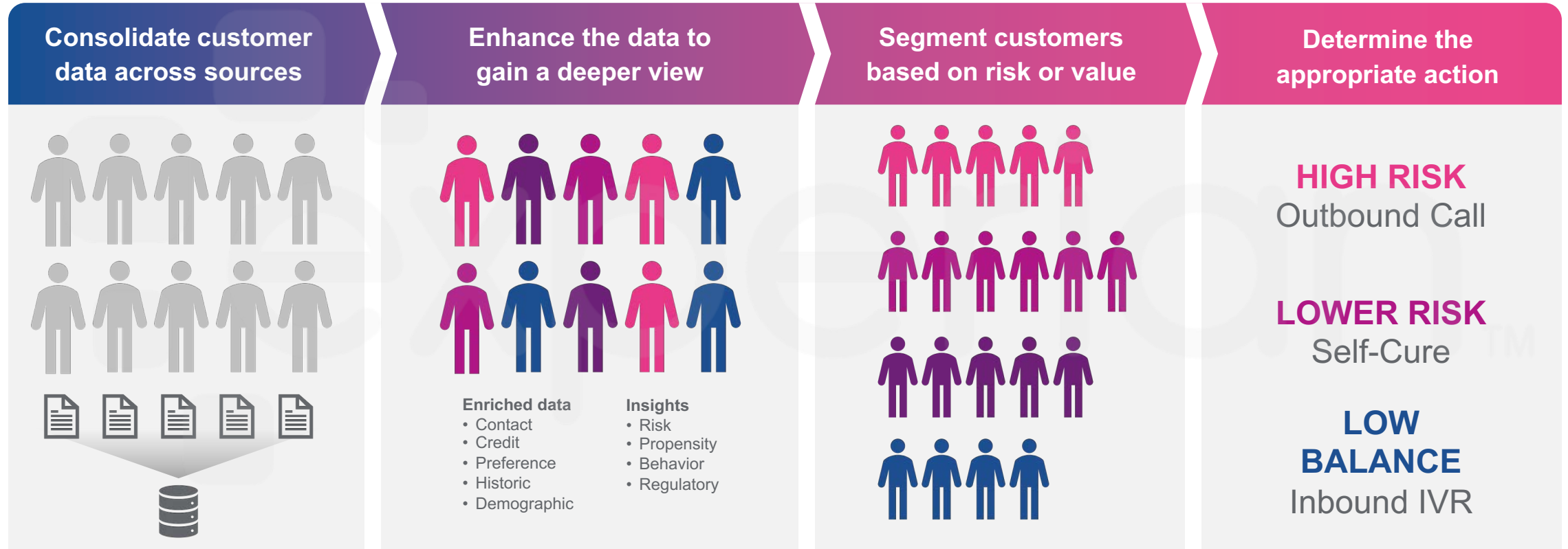
- Group A
- Group B
- Group C



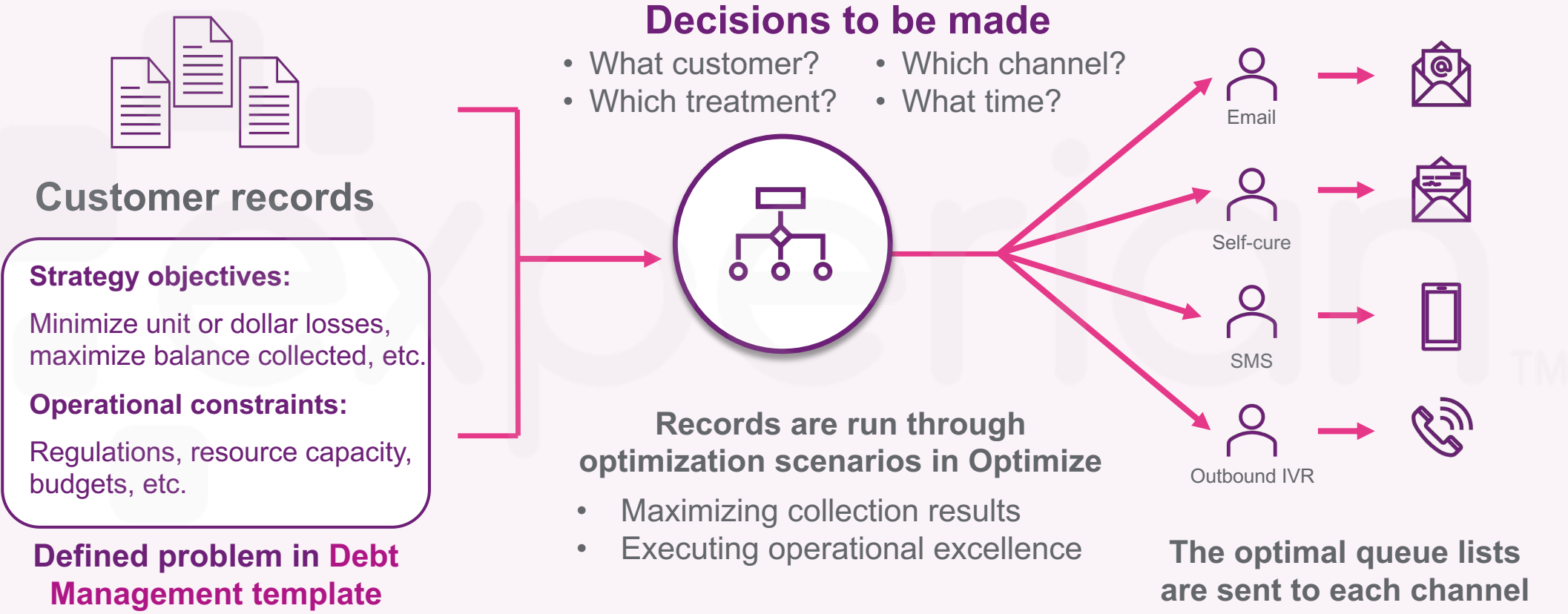
Seamlessly execute the optimized decision strategy to determine the optimal treatments



Segment your entire customer base with advanced capabilities to determine the right action to take



Conform your decisions to your operational constraints



Experian® Optimize and
PowerCurve® Customer Management

Product showcase



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Q&A



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