

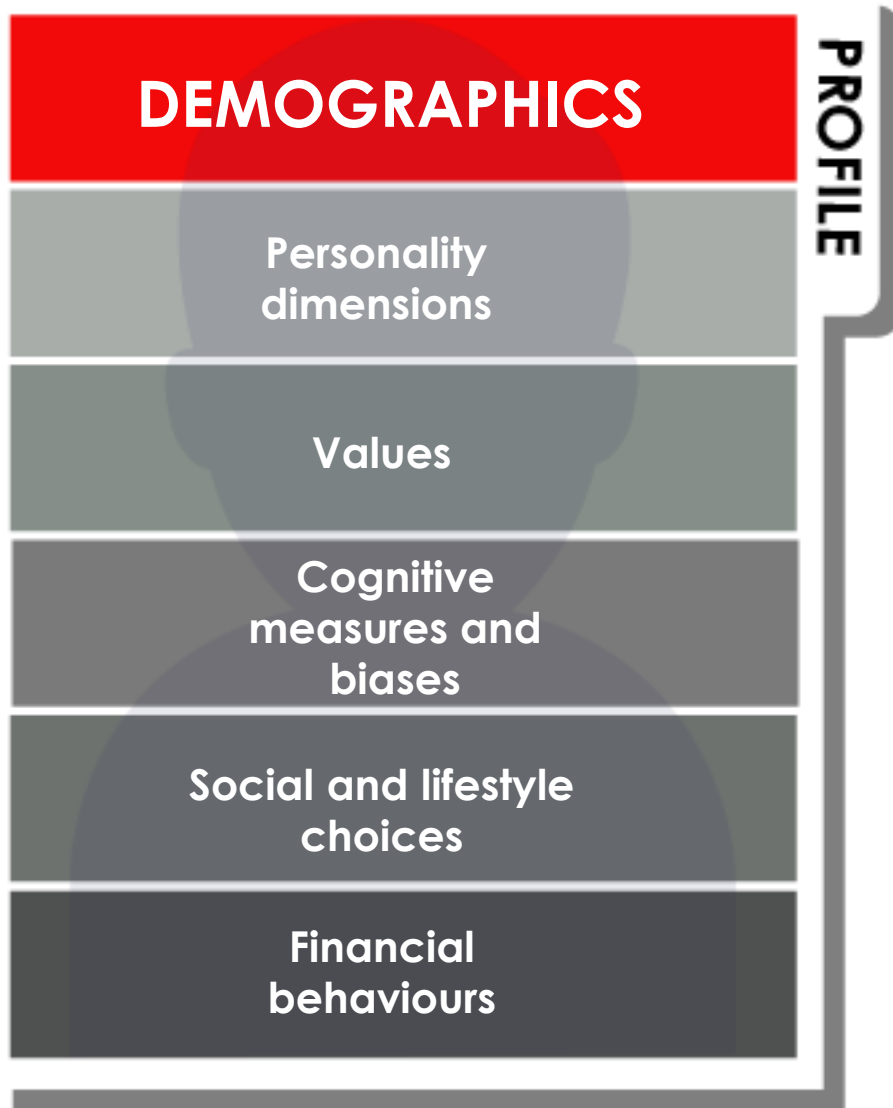
Estonia 2016

COREMETRIX AND PSYCHOMETRICS

Introduction: Coremetrix and psychometrics

- Not everyone can access credit for reasons of history or geography but everyone has a personality.
- Coremetrix has proven that a link exists between psychology and credit behaviour. The team have developed a series of quizzes which, in real time, assess consumer credit risk and unlock credit.
- This technology not only helps consumers to access funds but also provides lenders with new profitable customers.
- Coremetrix enables decision makers to understand their customers and prospects better resulting in better risk assessment of applicants and ultimately improved lifetime value.

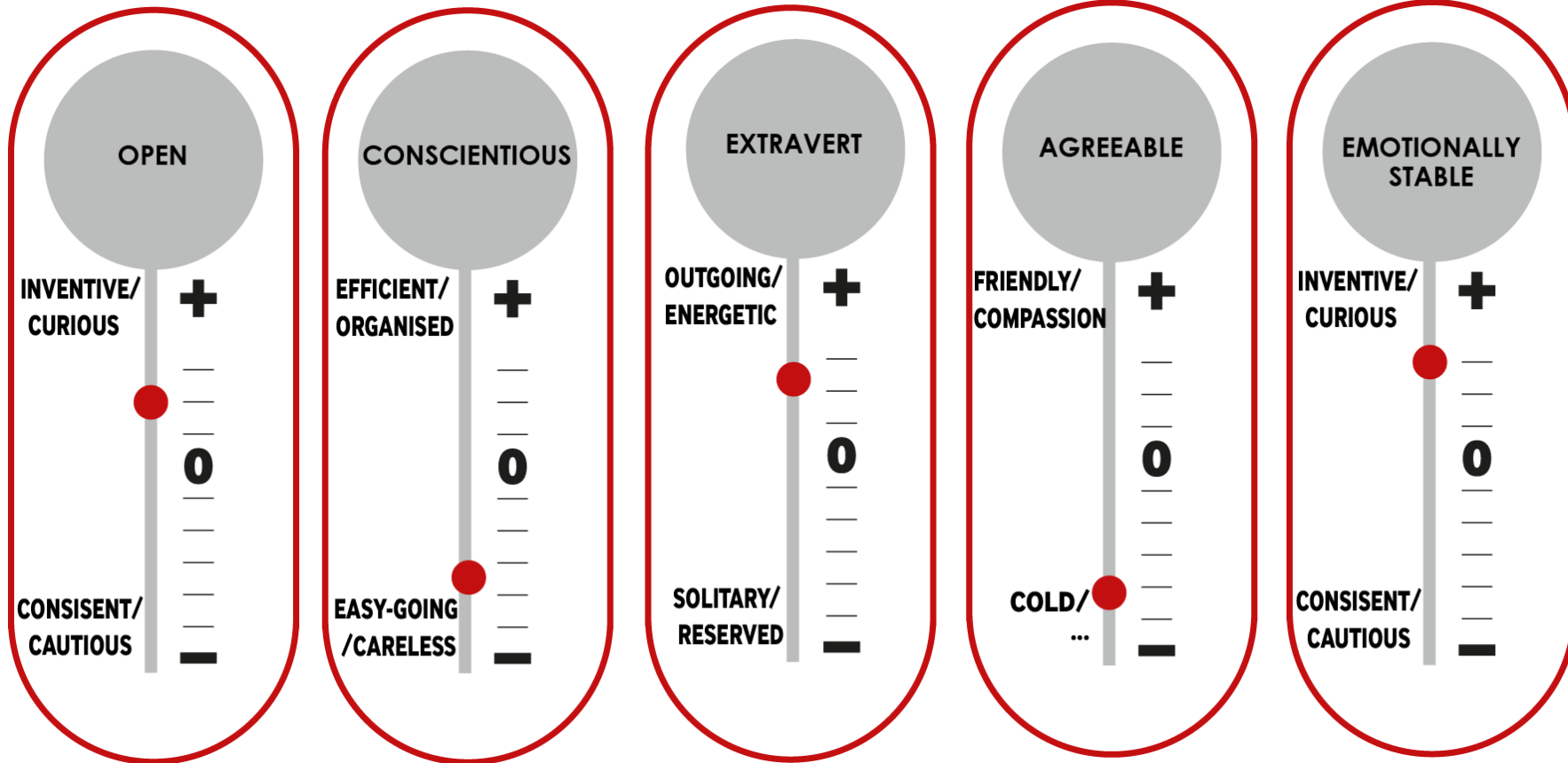




We captured a rounded personal profile

- Personality model stems from 30 years of research into psychological traits
- Each consumer assessed using 'OCEAN' and more
- Enhanced focus on most relevant constructs such as sensation seeking, honesty and locus of control
- Coremetrix provides a simple gamified environment which is easy to interact with
- The use of images enables an intuitive and fast response
- The technology combines euphemisms and humour enabling Coremetrix to ask deep and insightful questions in a comfortable setting

Measuring psychological constructs for risk assessment



- Artistic
- Adventurous
- Creative
- Curious

- Self-disciplined
- Proactive
- Achiever
- Planned
- Organised

- Energetic
- Positive
- Urgent
- Assertive
- Sociable
- Talkative

- Compassionate
- Cooperative
- Helpful
- Well tempered

- Calm
- Easy-going
- Secure
- Emotionally stable

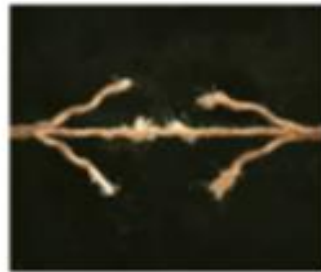
Each person who completes a quiz can receive a detailed breakdown of their main personality traits across the “Big 5” personality traits.

We have also identified several new traits indicative of risk.

Use of imagery in risk assessment

Measurement of emotional stability – how does the applicant react in adverse situations?

How do you feel when things go wrong?



Use of imagery in risk assessment

Measurement of long/short term bias – does the applicant want access to credit for short term purposes or to manage income over a longer period

How long do your New Year's resolutions last for?





CASE STUDIES

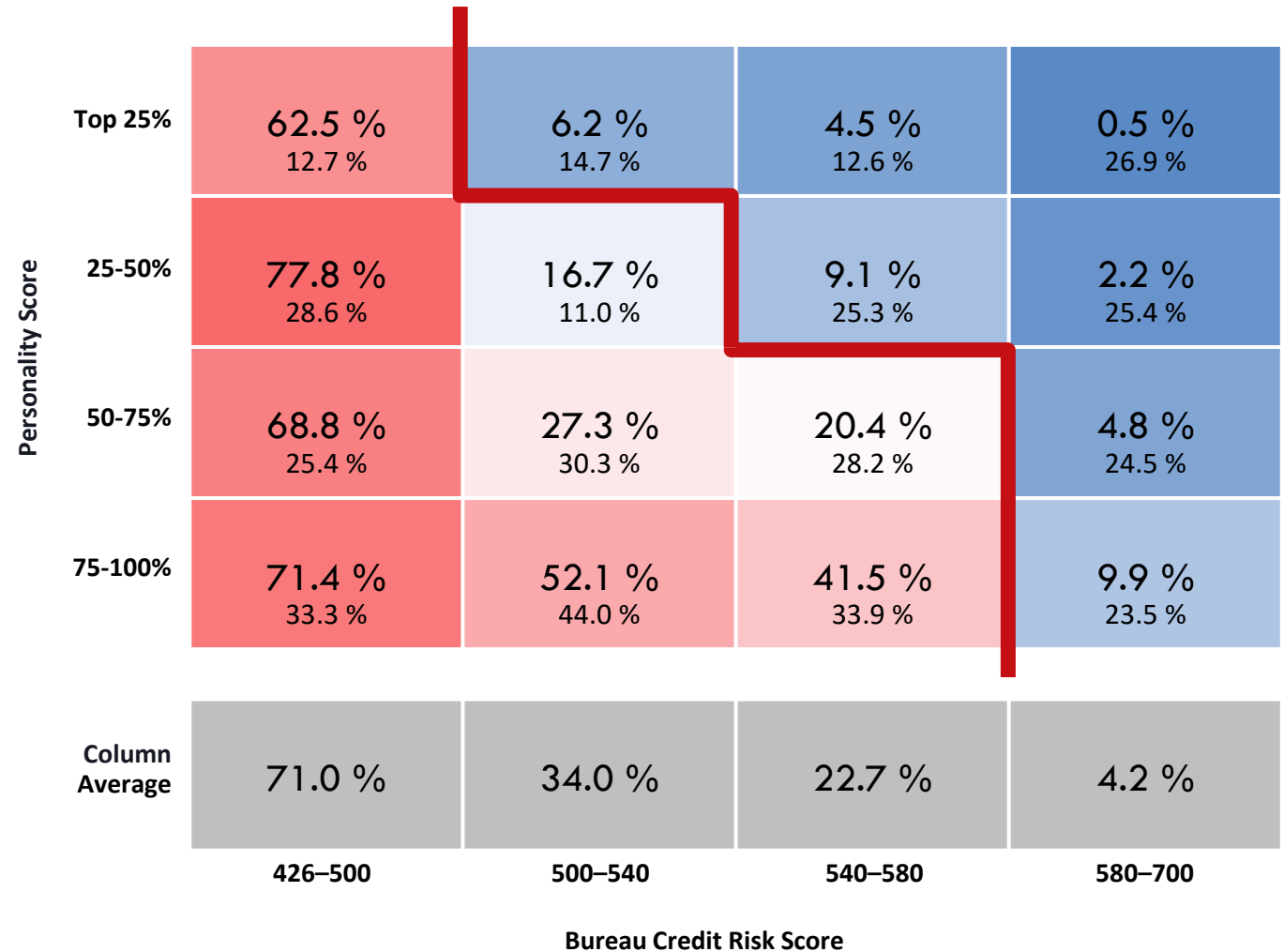
BUREAU DATA

Further Segmentation LEADING UK CREDIT BUREAU

Grey bins at the bottom, segment the population using a conventional bureau score and give proportional bad rate for each bin.

The coloured bins above further segment the population using the Coremetrix psychometric score. Colours and large numbers represent the bad rate of the population of that cell, small numbers give the proportion of the overall column population that falls within this cell.

Personality score identifies the bands within bureau risk band where **default behaviour is 5 times lower** than the band average (e.g. 4.5% v 22.7%)



CASE STUDY 4:

Polish credit card provider



Goal: Lender wanted to expand its lending to Thin file and 'Bureau bad files'. Their initial trial of own score model returned a high default rate.

Before applying a Coremetrix score:

Credit type	% of all applications	% approved
Thick	40%	38%
Thin	27%	0%
Bureau bad	33%	4%

Bad rates from Thin & 'Bureau bad' populations were considered too high to lend to

Current status:

Credit type	% of all approvals	% approved	% bad rate
Thick	72%	38%	<20%
Thin	14%	11%	15%
Bureau bad	14%	9%	14%

Acceptable bad rates from Coremetrix risk score

Impact: Accept rate increased from 17 to 21 per 100

CASE STUDY 5:

Russia

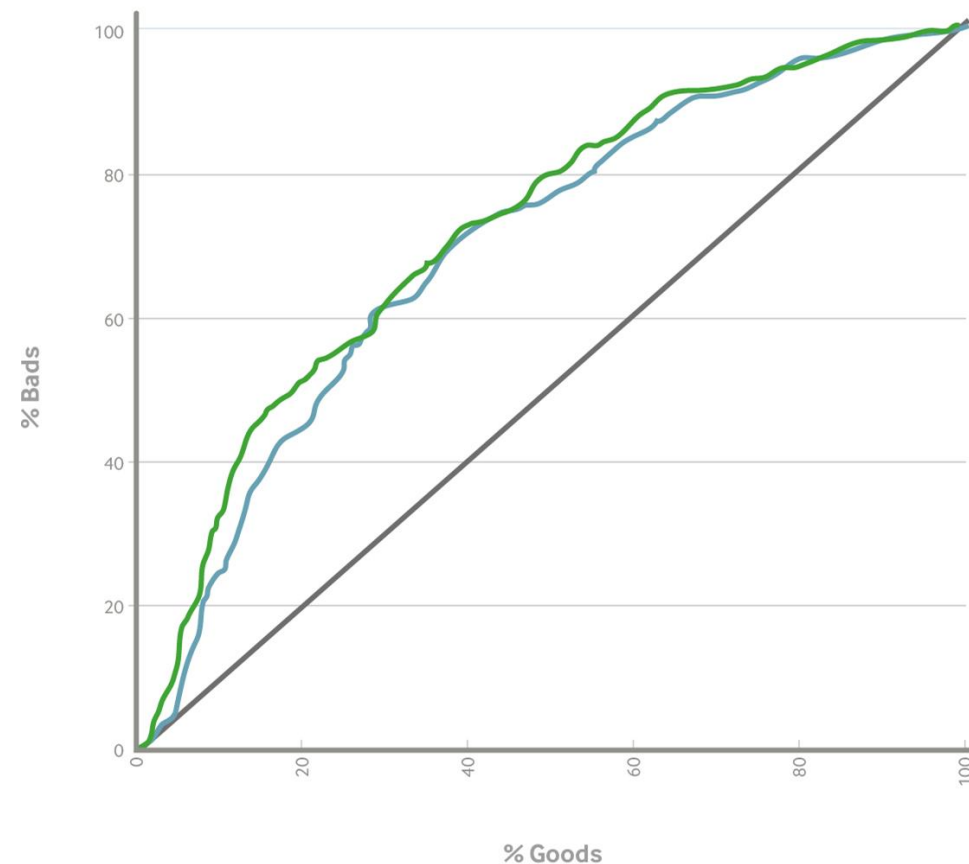


Goal: Develop a hybrid risk model - combining lender and Coremetrix scores - to allow lenders to accept a subset of Thick-file marginal declines

Results:

	Gini	Accept	Bad rate
Lender model	42.1%	20%	7.7%
Hybrid Model	47.0%	27.5%	8.0%

Model discrimination



Partner score Coremetrix No discrimination

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