



# **AWS migration**

Score validation white paper

**Financial Stability Risk Score v1  
(FSRv1)**

# Background

As part of Experian's commitment to deliver best-in-class technology and innovative products to our clients, Experian's Business Information Services (BIS) is transitioning our data and technology platforms to the cloud. This technology transformation will enable BIS to take advantage of the latest proven technologies with speed to new innovations. For our clients, this technology means greater capability to determine risk exposure using real-time data and analytics. Additional client benefits include:

- **Accelerated innovation:** Benefit from faster and easier data discovery.
- **Responsiveness and scalability:** Gain actionable insights with real-time streaming analytics to enable informed business decisions.
- **Cloud compliance and security:** Cloud technologies offer an additional layer of robust security infrastructure, supporting the most sensitive data.

This transformation is being completed in phases and ultimately all Experian's BIS data and scores will be available only from the cloud environment.

With any technology transformation, changes are expected. However, Experian® conducted a comprehensive validation of each score to minimize any variations such that the cloud-generated data and score outputs have insignificant differences from the original environment.

To demonstrate that there are insignificant differences and to facilitate a seamless transition from the legacy mainframe environment to the cloud environment, the following provides comparisons of the score and a score validation pre- and post-transition.



# Methodology

## Overview

To demonstrate that scores are predictive and stable after the platform transition, the scores have been calculated for the same businesses as of the same time period using both platforms. Score migration and score validation analyses were performed to compare those pulled from the legacy system and those pulled via the new cloud system.

## Population

A random sample of about seven million businesses was observed. Each business must have a valid score at observation, must not be “bad” at observation and must have some account activity within the performance window.

## Observation and performance periods

Each business was scored as of June 2021 with a 12-month performance window ending June 2022.

## Bad definition

Severe financial distress is represented as a business having at least 75% of balances that are 90+ days past due within 12 months of observation. Credit risk models were validated on a 12-month score-to-outcome measurement period.

# Model history

## Financial Stability Risk v1

First launched in 2011, FSRv1 is a logistic regression designed to predict severe financial duress, at least 75% of balances are 90+ days past due within 12 months. The model, developed on 1.3 million records had an observation point of September 2009. The model input variables included BizAggs. The score ranges from 1 to 100 with higher scores indicating lower risk. The risk class ranges based on the development sample are outlined below.

Score range	Risk class	Risk description
66–100	1	Low
31–65	2	Low–medium
11–30	3	Medium
4–10	4	Medium–high
1–3	5	High

The model includes two exception scores:

- 998 = a business had a bankruptcy within the prior 24 months
- 999 = insufficient information to calculate a score



# Cloud migration results

## Score predictiveness

The key predictive metrics of KS, GINI and bad capture rate at 20% closely align for the new cloud-generated scores versus the legacy mainframe scores. In addition, the odds charts are very similar indicating that business strategy and score cutoffs don't require adjustments.

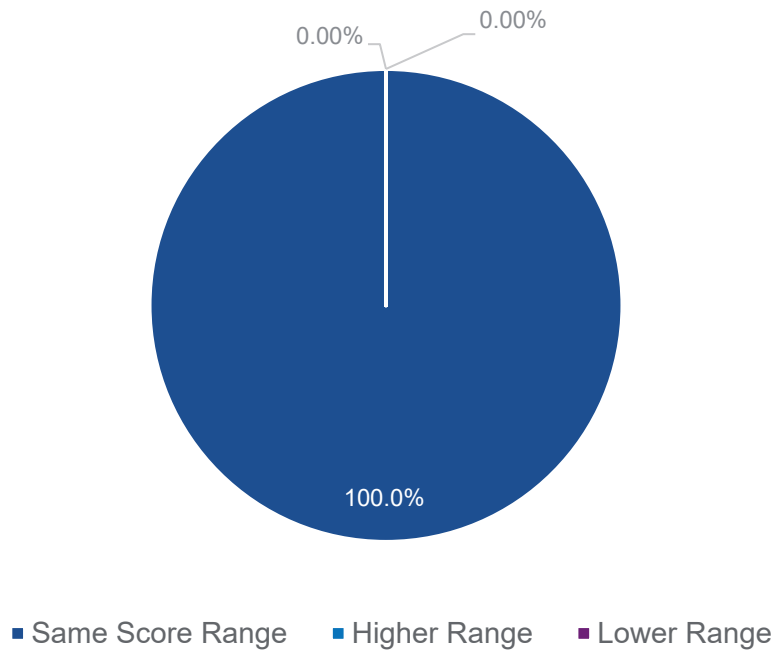


FSRv1	Score range	Cum. bad%	
		Mainframe	Cloud
1	91–100	0.30%	0.30%
2	81–90	0.40%	0.40%
3	71–80	0.47%	0.47%
4	61–70	0.51%	0.51%
5	51–60	0.52%	0.52%
6	41–50	0.54%	0.54%
7	31–40	0.58%	0.58%
8	21–30	0.68%	0.68%
9	11–20	0.76%	0.76%
10	1–10	1.02%	1.02%

## Score migration

100% of the businesses evaluated remained within the same risk range.

FSR		Cloud							Total
		1-3	4-10	11-30	31-65	66-100	998	999	
Legacy Mainframe	1-3	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%
	4-10	0.0%	15.7%	0.0%	0.0%	0.0%	0.0%	0.0%	15.7%
	11-30	0.0%	0.0%	25.3%	0.0%	0.0%	0.0%	0.0%	25.3%
	31-65	0.0%	0.0%	0.0%	19.4%	0.0%	0.0%	0.0%	19.4%
	66-100	0.0%	0.0%	0.0%	0.0%	35.7%	0.0%	0.0%	35.7%
	998	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
	999	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%
	<b>Total</b>	<b>3.3%</b>	<b>15.7%</b>	<b>25.3%</b>	<b>19.4%</b>	<b>35.7%</b>	<b>0.1%</b>	<b>0.4%</b>	<b>100.0%</b>





## What else you should know

**All clients are expected to transition to the cloud by October 2024.**

BIS will make every effort to ensure a smooth transition for you and your teams.

Please bookmark the [BIS Technology Transformation](#) website and check back for periodic updates.

If you have specific questions about this transformation, please contact your account executive or our Customer Support team at the number below.

### Customer Support

1 800 520 1221, option 3

8 a.m.–5 p.m. CT

[bigsupport@experian.com](mailto:bigsupport@experian.com)

Our Technical Support teams will continue to support you throughout this transition. Their numbers are listed below for your reference:

**Experian Technical Support** — for technical issues during normal business hours:

1 800 854 7201, option 3

[tscbissupport@experian.com](mailto:tscbissupport@experian.com)

7 a.m.–8 p.m. CT, Monday through Saturday

7 a.m.–7 p.m. CT, Sunday

**Experian's Global Operations Center** — for urgent issues after normal business hours:

1 800 553 4785