Product Sheet

Loss Forecasting Model Services

Identify potential fraud linkages across the Experian network

You can meet today's capital adequacy and stress test requirements with our Loss Forecasting Model Services. We have a complete suite of advanced loss forecasting models and expert consulting services to guide you through the process.

Confidently forecast expected losses across various economic stress scenarios and assess the impact on your capital plans.

An advanced analytical approach provides robust forecasts

We have developed a series of models using a combination of state-of-the-art analytics and advanced statistical techniques to evaluate and report the impact of a bank's stress scenarios on portfolio loss projections over a nine-quarter outlook. Assessment of total forecasted losses includes the following input components: probability of default (PD), exposure at default (EAD) and loss given default (LGD). We also can provide ongoing simulation, stress-testing scenarios and forecasting based on various macroeconomic conditions.

Accelerated results via seamless adoption

We have sourced all required data, including current credit risk, macroeconomic and property valuation data, in addition to regional-level economic forecasts. Sources include:

- Account-level data
  - Experian credit data
  - Loan-level attributes
- Consumer-level data
  - Origination scores and current VantageScore® credit scores
- Property-level data
  - Asset Valuation Models (AVM) and Home Price Indices (HPI)
  - Housing-related characteristic
- Economic data
  - National, state and Metropolitan Statistical Area (MSA)–stressed variables
- Economic forecasts
  - National, state and MSA forecast scenarios

Who is impacted?

Bank holding companies with at least $10 billion in total consolidated assets with tier 1 material portfolios — auto, mortgage, card and commercial — are impacted.

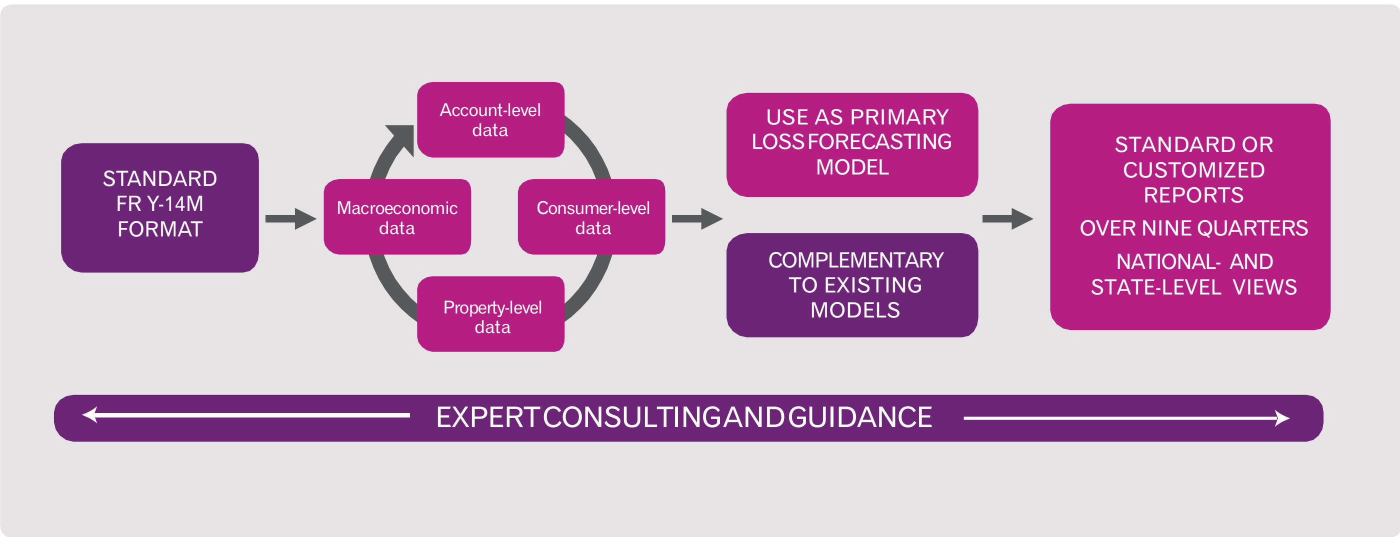
Flexible and customizable

You can use our advanced loss forecast models as a primary model or as a complement to ongoing efforts to comply and submit final capital plans to the Federal Reserve Board.

The models are hosted by usand can be licensed as intellectual property when a deeper transparency into the models is required. The loss forecasts can be customized to your unique portfolio through re-estimations of PD models and the ability to adjust EAD and LGD estimates.

A complete, turnkey offering is available for three key portfolios:

- Mortgage: First mortgage (adjustable rate and fixed rate), home-equity loan, home equity-line of credit
- Bankcard: No preset spending limit, private label, general use
- Auto: Loan, lease
- We have the ability to parallel the Federal Reserve's stress scenarios, including base line, adverse and severely adverse, or to apply your unique custom-designed stress scenario to the loss forecasts.



Expert industry guidance

Our strategy consultants provide valuable insights into the implications of plausible economic stresses within your portfolios and offer guidance on interpreting loss forecast results for final capital plan submissions. We can help to balance a complex array of business and regulatory drivers at the strategic and operational levels.

Interested in Loss Forecasting Model Services? Contact your local Experian sales representative or call 1 888 414 1120.

What is CCAR?

The Comprehensive Capital Analysis and Review (CCAR) is an annual exercise by the Federal

Reserve to ensure that institutions have robust, forward-looking capital planning processes that account for their unique risks and sufficient capital to continue operations throughout times of economic and financial stress. CCAR includes a supervisory stress test to support the Federal Reserve's analysis of the adequacy of the firms' capital.

What is DFAST?

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act Stress Testing) requires all financial institutions with total consolidated assets of more than $10 billion to conduct annual stress tests. The results of the company-run stress tests provide the regulators with forward- looking information that will be used in bank supervision and will assist the agencies in assessing the company's risk profile and capital adequacy.

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