

## FICO® Score 6

Powerful, inclusive, trusted when it matters most.

### Greater predictive power

- ✔ **Streamline** with a single risk measure informing planning, operations, and policy across consumer credit products and lifecycle stages.
- ✔ **Achieve** as much as 24% predictive lift over existing Empirica Scores.
- ✔ **Cultivate** portfolios with a more accurate score based on today's consumer credit behavioural data.
- ✔ **Leverage** expert credit risk insights from a global proven solution with a local focus.
- ✔ **Reach** underserved consumers and extend lending decisions to a financially excluded population.

FICO, in partnership with TransUnion Africa, provides the most comprehensive and powerful FICO® Score in the South African market with FICO® Score 6.

Leveraging FICO's heritage of scoring expertise, this new score supports more predictive consumer credit risk management. FICO's pedigree of continuous innovation to address market and data evolutions offers fully redeveloped Account Origination models, updated Account Management models, and new features providing valuable insights to broaden financial inclusion. Partners for more than two decades, FICO and TransUnion continue to empower credit grantors in South Africa with FICO scoring solutions that realise greater performance precision while supporting a consistent customer experience.



## Powerful

Predictive lift over Empirica 4 and 5 for both Account Origination and Account Management.



## Inclusive

Broadens with the enhanced Expansion Risk Indicator. Lenders can assess double the number of consumers for credit compared to Empirica 5.



## Trusted

Trusted for more than a quarter century. FICO® Score 6, the latest suite of credit score models (formerly Empirica) developed by FICO for TransUnion.

## Significant predictive benefits

Lenders will gain significant predictive benefits with FICO® Score 6 compared to both existing versions of Empirica. FICO® Score 6 outperforms current Empirica Scores available in the market, offering the precision you need based on a proven blueprint as well as broadens financial inclusion. The score you know and trust is re-developed with more power and flexibility than ever.

- ✓ As much as a 24% increase in predictive power across "All Industries" over Empirica 4 for Account Origination.
- ✓ Predictive lift of 7% in comparison to Empirica 5, in "All Industries" for Account Origination.
- ✓ Specific tradeline analysis provides significantly higher predictive performance over previous Empirica versions.

## More effective decisions and consumer engagement

### ✓ Recent data from TransUnion

Improved and more accurate reflection of the current lending environment, credit behaviour, lender reporting practices, and regulatory requirements. FICO® Score 6 was built on a time-blended data sample, including four distinct time frames spanning a wide variety of economic conditions to ensure strong and resilient performance.

### ✓ New opt-in positive reason codes exclusive to FICO® Score 6

Reason codes and narratives have been a standard feature in Empirica, giving insight into why a consumer did not receive the maximum score. FICO® Score 6 maintains the previous reason codes but enhances the insights to lenders with the addition of up to four positive reason codes, providing extra insight into positive aspects of a consumer's management of credit obligations, which may be used to personalize engagement, sales, and credit education.

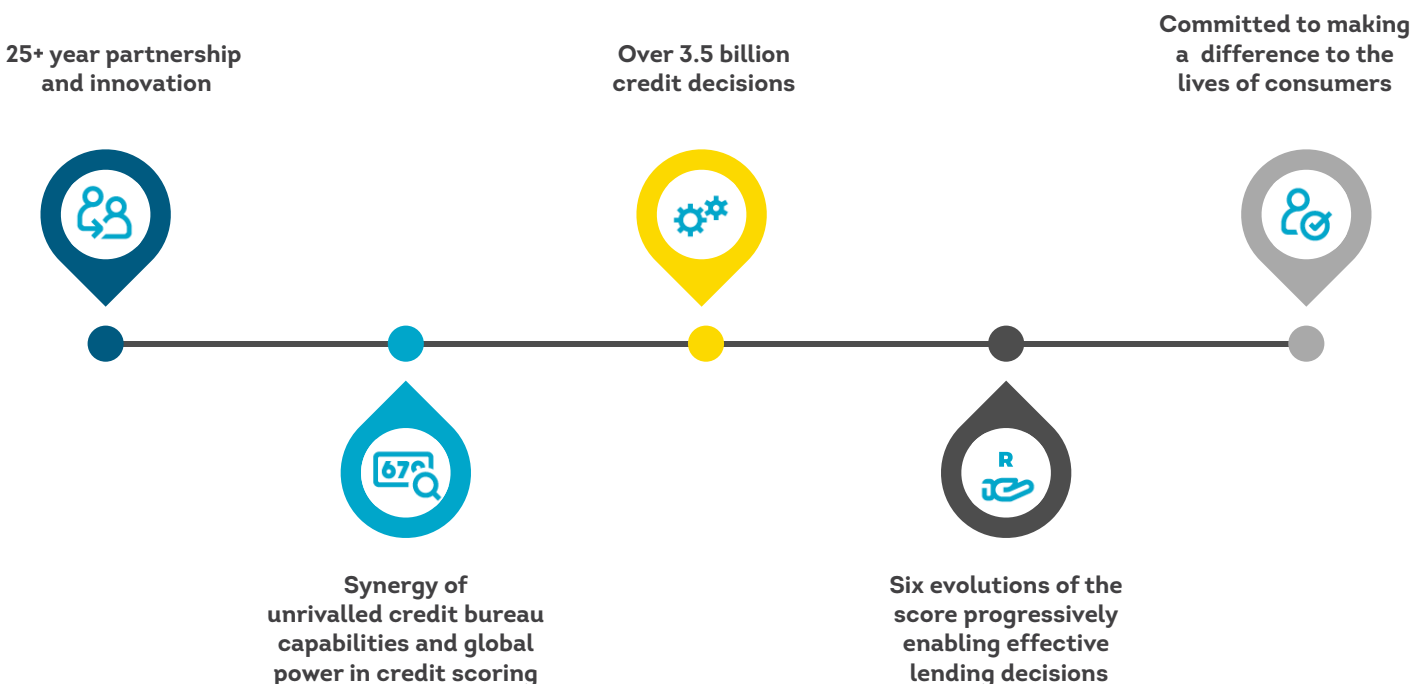
### ✓ Major enhancement to the Expansion Risk Indicator

The Expansion Risk Indicator (ERI) amplifies insights with up-to-date and expanded data to include eight indices, enabling lenders to make more informed decisions for consumers who would otherwise not be considered for credit. This important financial inclusion tool gives consumers additional opportunities to obtain credit. This enhanced ERI is only available in FICO® Score 6.

### ✓ Exhaustive characteristic selection

Selective characteristics were added to build a score that is highly predictive across a wide variety of situations and product lines.

## TransUnion and FICO in South Africa





## Designed to address the current and future lending environment in South Africa

FICO® Score 6 is developed using the latest TransUnion data, making it ideal for South Africa's large and dynamic population. The score presents a range of 300–850, with higher scores indicating lower credit risk. The score is designed to allow for rehabilitation over time for consumers who have previous delinquent behaviour, rather than continuous penalty regardless of subsequent satisfactory performance. Based on the score, lenders can determine if they want to grant credit to applicants and at what terms. This precise risk prediction applies to decisions across financial industries, customer segments, credit products, and life cycle phases – from account origination to account management and collections.

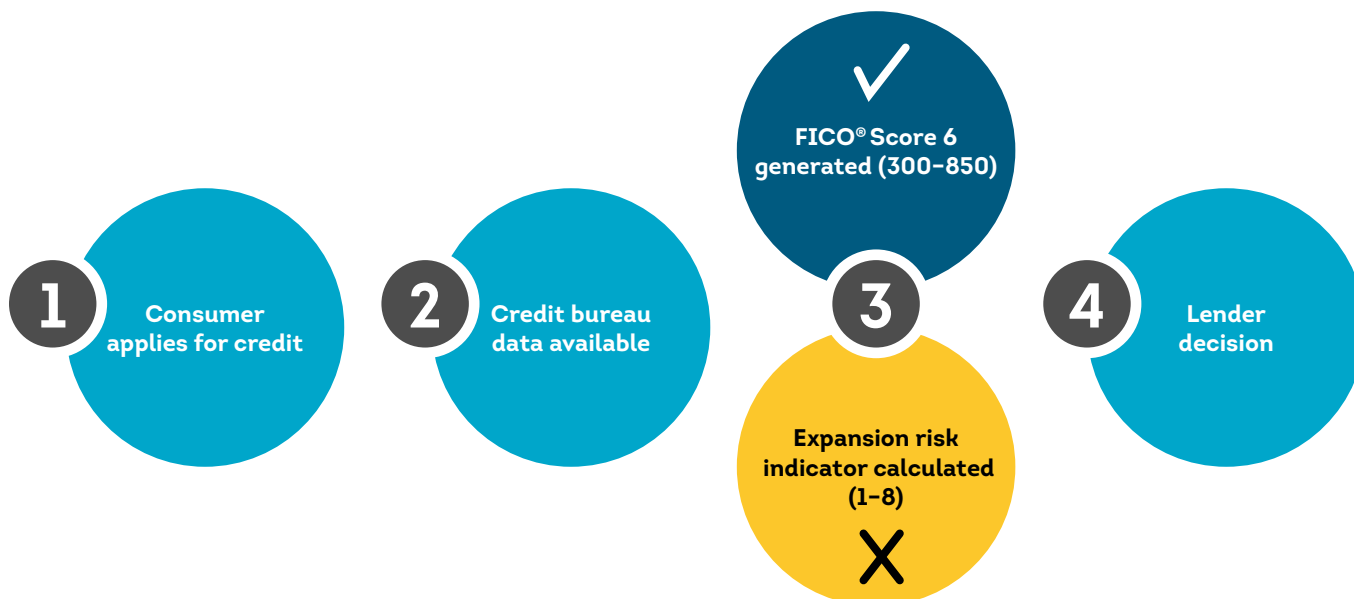
## Including the underserved: Improving financial inclusion and opportunity

Consumers should not be denied credit simply because they lack established credit history. FICO and TransUnion are committed to providing solutions that enable financial inclusion and opportunity for consumers who previously would not have access to credit they may deserve. The enhanced ERI tool was designed to provide an additional opportunity to grant credit to underserved consumers who may otherwise be declined lending due to a lack of established credit history. ERI is calculated only when a standard FICO® Score cannot be determined, empowering lenders to make more effective choices

Access risk and make more informed decisions across consumer lifecycle stages and industries, including:

- ✔ **Mortgage**
- ✔ **Personal loans**
- ✔ **Credit card**
- ✔ **Auto**
- ✔ **Retail**
- ✔ **Clothing**
- ✔ **Furniture**
- ✔ **Cellular**

## Improving credit opportunities for the entire population



### Stability across economic conditions

FICO® Score 6 was developed and tested on multiple samples to ensure robust performance in both normal economic circumstances and during a period of evolving economic challenge, such as the COVID-19 pandemic.

### Easing transition to FICO® Score 6

- ✔ FICO® Score 6 provides backward compatibility with Empirica to promote continuity, ease of use and stability for lenders and other stakeholders. The new score and its added power is designed with the same minimum score criteria and has a scoring scale, new reason codes, and score ranges similar to prior versions of the Empirica Score.
- ✔ Lenders may validate the value of the new score to their business with the guidance of FICO and TransUnion. Both partners can provide the expert analytic resources and proven methodology to support adoption and tune existing strategies to maximise the benefit of the new score. A transition from Empirica Score to FICO® Score is key, particularly for current users of Empirica 4, as the product reaches the operational end of its life cycle.



## About FICO® Scores

For more than 30 years, FICO has brought global standard credit scoring to countries around the world, innovating to make lending non-biased and risk decisions more accurate. While the FICO® Score is the standard measure of US consumer credit risk, the introduction of broad-based credit scores has helped to initiate economic opportunity, positive credit experiences, and empowered hundreds of millions of people, transforming credit extension in more than 30 countries. It makes access to credit open and fair to all citizens, while protecting the financial stability of the lender with a view into their credit risk exposure.

Two migration options for lenders – choose to conduct the validation and evaluation independently or partner with TransUnion.

FICO® Score 6 based on TransUnion (South Africa) data is only available from TransUnion Africa for South Africa, Namibia, Botswana, and Eswanti.

For more information, please visit <https://www.transunion.co.za/product/fico-score-6>