



Scorto Solution for Credit Bureaus – Scorto™ Bureau Nucleus

Scorto Bureau Nucleus offers credit reference services and other functions and services associated with credit bureaus. This service retrieves and matches data relevant to the applicant and returns it to the subscriber to the service. The data may be in raw and/or summarised form.

Although legislation usually plays a vital role governing this service, Scorto's Bureau Nucleus also comes equipped with functionality to ensure that no irrelevant third party data is returned. Conversely, Scorto's Bureau Nucleus ensures that the system does not miss data in order to satisfy the requirements of the subscriber.

It is a thin line that the Credit Bureau must tread ensuring it does not break the law on one hand and also not miss relevant data that could affect the lending decision on the other. If a reliable ID number is available this process is relatively straightforward, but all ID number systems do have imperfections. Thus, Scorto Bureau Nucleus provides functionality to ensure that this potential problem is eradicated.

Specialist consulting is usually required from an organisation that is familiar with the techniques required and is able to work with the new Credit Bureau to apply the techniques to the local language and name and address structures. With Scorto, there is no need to pay 3rd parties or excessive fees for such intelligence. We provide these services complete with our Bureau Nucleus solution.

Solid Credit Bureau Platform

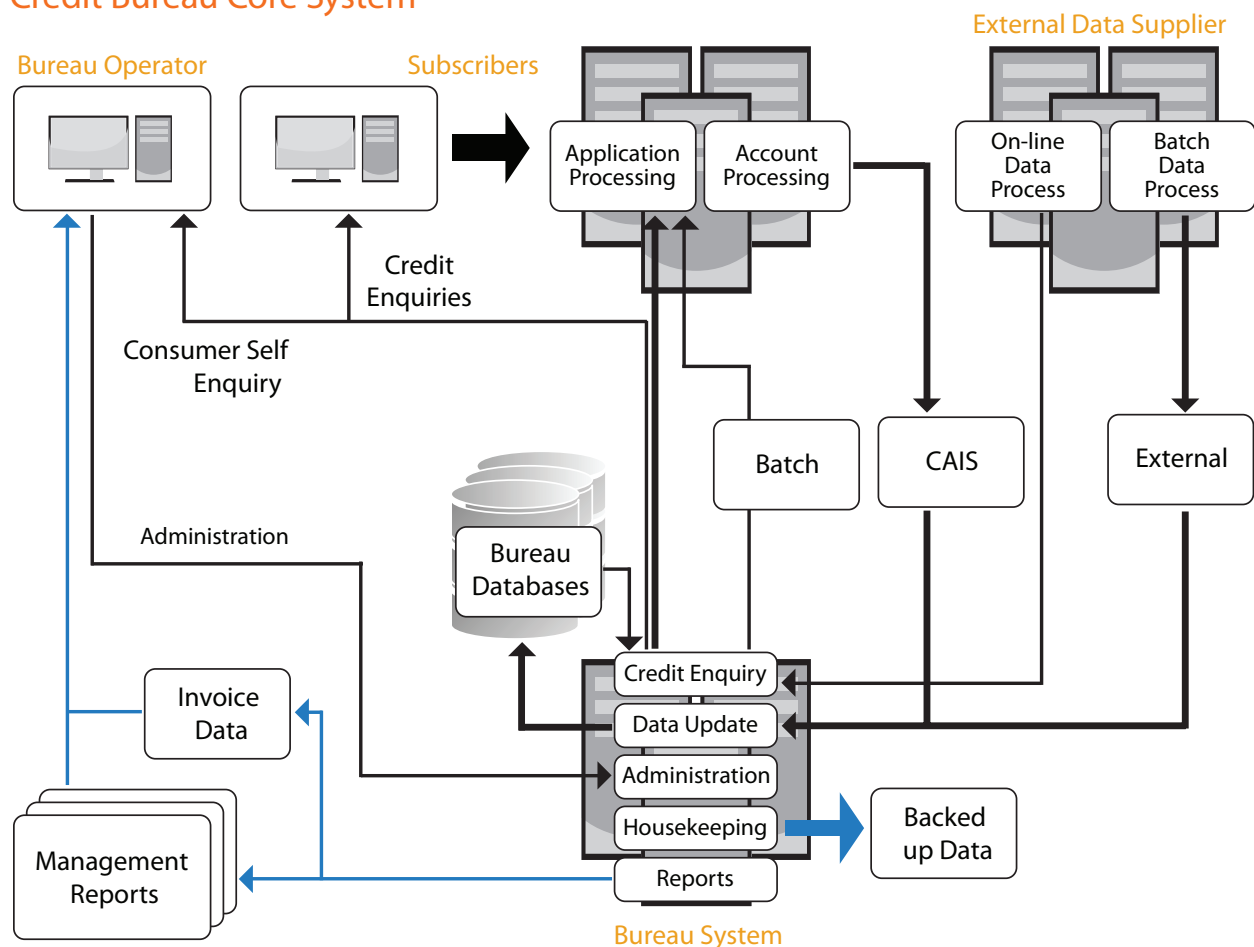
Credit bureau core system is designed as a portable system with ultimate emphasis on **security and reliability**.

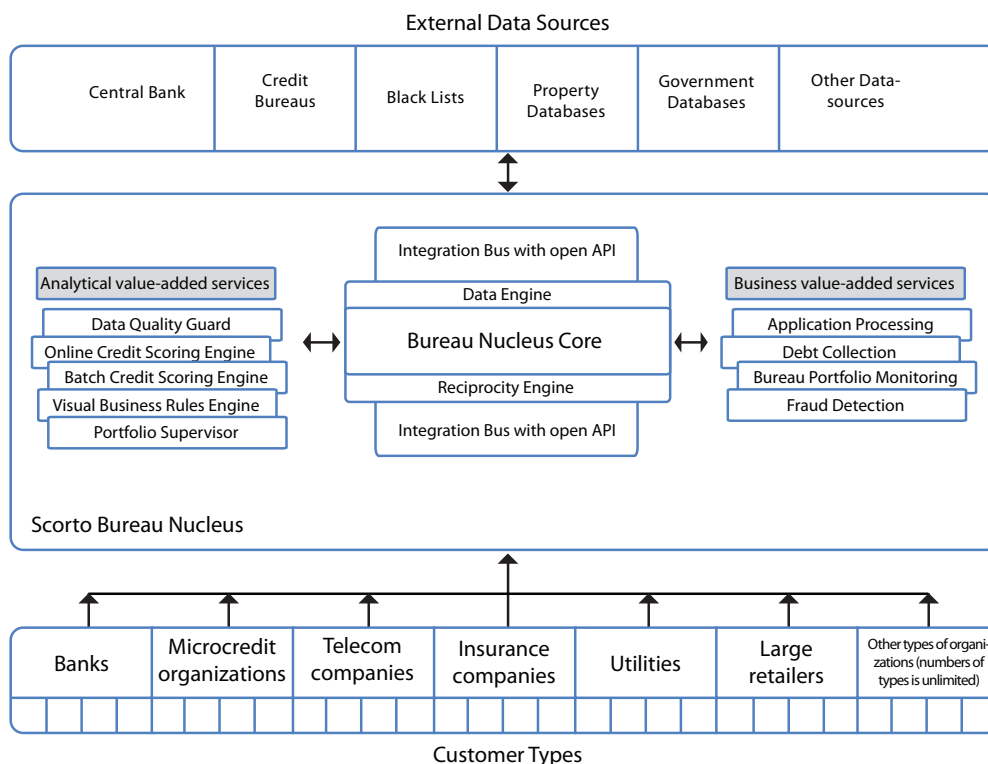
- **The most sensible Reciprocity Engine** on the market with configurable rules for different groups of bureau clients, different data contribution levels and different credit products.
- Your Data Engine is ready to **capture negative and positive** information about a vast array of credit products, including cash loans, Shariah-compliant products and micro-credits;
- Top-level **Security Subsystems** infused in all

modules; including state-of-the-art authentication processes, rules-based access rights controls, and automated digital signatures on all user actions.

- The Credit Report Generator uses separate templates for summary and detailed reports with strict compliance to reciprocity rules.
- A Data Collector for **initial credit history entry, collection, validation**, cleansing and rules-based transformation from the very initial stages of a credit bureau launch.
- **Multi-language designs** for both the interface and the database contents; Scorto's team of developers and engineers has experience with 7 languages, including right-to-left languages and different alphabets, so the solution can be localized in any local language within a very short time.

Credit Bureau Core System





The broadest set of add-ons on the market

Add-ons are seamlessly integrated with Scorto's Core Credit Bureau system and designed specifically for **fast and easy customization** to fit local requirements.

- **Data Quality Guard: automatic data validation and cross-checks** during the data load process to ensure consistency across the database;
- **Fuzzy Identifier:** allows the bureau to correctly identify customers using the latest technologies such as fuzzy logic (which can be used for **fuzzy customer name comparisons**), as well as multi-field comparisons to identify customers in countries without standard identification systems.
- **Credit Scoring Engine: automated generation of bureau scores** with classical scorecards, neural network models, decision tree models, and expert models.

- **Visual Business Rules Engine:** easy-to-use visual tool to build **credit application processing rules**; supporting different strategies for different credit institutions and different credit products granting bureau's attractive financial opportunities through value added services.
- **Fraud Barrier: A versatile fraud prevention engine** with automatic black list checks, fraud prevention rules, fraud detection scoring, visually customizable validation rules and more.
- **Portfolio Supervisor:** process your sub-portfolios with credit risk calculations, risk checks, credit account monitoring verifications and **generate aggregated portfolio-level reports** using OLAP technology.
- **Data Refiner: A customer data cleaning and enrichment** module used to automatically repair data entry errors, enrich portfolio data using relevant external and internal data sources, identify records for manual review and correction, detect inconsistencies in client information, as well as unify and format customer data.

Superior connectivity:

- Bear **no limitations to types of data sources** that are required to be integrated within the credit reporting process, including real-time access to any type of external databases
- Access credit bureau using your preferable method:
- For manual solo enquiries - use intuitive **web-interface**;
- For automated real-time exchange between your in-house system and credit bureau – use **secure direct connection** with credit bureau server;
- For portfolio processing in a bulk format – use **batch enquiries**;
- For special integration needs – use **access API** and/or our customization team.

The easiest system to deploy, operate and maintain

- Audit trails subsystem provided to supervise the bureau activity and investigate operational errors;
- Automatic members/subscribers usage reports for invoicing;
- Integrated roll-back functionality to avoid troubles with erroneous or unwanted uploads.
- Administration module for IT staff to ensure availability and maximum performance.

Scorto's Bureau Nucleus Provides You With:

Credit Scores

This is a product that is often offered at a relatively early stage in the evolution of a Credit Bureau. It is a risk score based on credit reference data and is often referred to as a bureau score or a generic risk score.

The bureau score establishes the probability of repayment, or risk, of granting credit and is developed using data analysis and statistical techniques. The bureau score is offered either individually or as an additional item of data over and above the base credit reference data.

The benefit to the lender is that the credit reference data is summarised in a consistent way by the bureau score. The lender can refuse an application for credit if the score indicates a higher level of risk than they are willing to accept.

Credit scoring is particularly useful to lenders with a large portfolio containing smaller loans, as in the case of financial institutions in the retail and consumer credit market. It is also easy to incorporate the bureau score into application scorecards significantly enhancing the decisioning process.

With Scorto's Bureau Nucleus, there are no additional modules or software required to provide this fundamental service. Scoring engines and models are included with the solution from the outset. All of the following services and modules are also available with Scorto's Bureau Nucleus:

Customer monitoring

In its simplest form customer monitoring is a service that alerts a lender that new negative data associated with one of its customers has been loaded to the Credit Bureau. The alert message back to the lender is provided on paper, electronic file or screen.

A more sophisticated version of this service provides a credit score back to the lender on a regular basis for each of its customers. This data can then be incorporated in automated scoring and decision-making to set credit limits, collections strategies, etc. This type of service does rely on the sharing of positive data.

Verification

This is a service that confirms the existence of a combination of the applicant's name, address and ID number using data held by the Credit Bureau. It is particularly useful for remote applications where it is not possible or not practical for the applicant to provide paper evidence such as a utility bill.

Authentication

This is an extension of a verification service. It uses data held by the Credit Bureau to validate responses given by a credit applicant. It can also be used to authenticate a credit card holder who is making a remote 'card not present' purchase.

Application fraud detection

This service helps stop fraud before it happens by identifying suspicious applications by cross-referencing the current application with Credit Bureau data. Matched applications can then be compared and suspicious matches used to generate a warning to the lender that the current application should be investigated further.

Marketing pre-screening

In its simplest form it is the screening of consumers with existing 'bad' credit history from a file of prospects. In most cases these will be prospects for a further credit offer via direct mail, telephone or e-mail. The benefit to the lender is that prospects, which will ultimately be declined, are not targeted with an offer, keeping marketing and application processing costs to a minimum.

Consumer tracing

This service uses the Credit Bureau's data to find the last known address of an individual. The service is popular with customer management and tracing departments.

Further Services

While the provision of basic credit reference services is the initial product offered by a Credit Bureau, further products should follow in a timely manner.

These products will be required as the credit market develops, stimulated by the new credit reference service. Credit reference scoring (bureau scoring) and application fraud prevention products are likely to be needed very soon after the launch of credit referencing. With Scorto's Loan Decision, and Fraud Barrier products, you will be able to quickly and seamlessly implement these value added services into your portfolio.

These additional services provide differentiation between competing Credit Bureaux and provide an important source of revenue when the basic credit data becomes a commodity. In most mature markets, competition leads to price deflation for the base data. This has to be countered with higher margin products and services.

A Credit Bureau must ensure that it has a development plan, which incorporates these products and a system, which is flexible enough to accommodate them. It is crucial that the potential new Credit Bureau selects a supplier of software and/or consulting that has the knowledge to deliver a successful solution. With Scorto you can rest assured that your bureau and business are in the hands of the most sensible, flexible, and vigorous solutions and experts in the world.

Scorto's Bureau Nucleus – Your choice for risk-reduced socio-economic growth!

The establishment of a Credit Bureau presents issues that are diverse and large. It is one of the most difficult types of business to establish. Not only does the prospective organisation have to manage all of the normal matters associated with setting up a business but also has to consider many other issues. With Scorto's Bureau Nucleus, many of these headaches and issues are put to rest because of the strength, flexibility, and capabilities of Scorto's personnel, commercial structures, and quality. Some issues which will be eliminated by selecting Scorto's Bureau Nucleus include:

- Gathering data and applying quality control
- Providing consumer access to their data
- The business changes required by the Lender
- The IT changes required by the lender
- Building an effective computer system that can deliver the required services and be sufficiently extendable to deliver future services
- Ensuring services and data are secure
- System integration issues
- How to become a mission critical part of the lender's business

The success of a bureau is governed by providing simple access to predictive data. This data has to be sourced from a number of organisations and often, for legislative or intellectual property right reasons, the data cannot be conformed to one database. In these situations, the Credit Bureau system has to be able to pull together the data from a number of sources in an efficient and effective way in real time. Scorto's Bureau Nucleus provides your organization the ability to do this as well.

Without a doubt, the effective operation of a Credit Bureau has a positive and significant impact on society at large. Do not make the mistake of selecting the vendor with the big name (along with big demands, and an even larger price tag), or the vendor who promises the world, but has expertise and ability which is even smaller than the price of their solution. A decision such as this will put your organization in a whole before you even start (in terms of public trust, finances, and operations). Go with the solution provider who has proven time and again to be the best friend of financial decision makers, and economic institutions again and again.

