



Moscow, 9 February 2009

### **CityMortgage Bank Implements Experian's Scoring Model for Retail Mortgage Operations**

**Experian, the global information services company, and the mortgage specialist CityMortgage Bank (CMB), have announced that CMB has completed the implementation of Experian's analytics models for evaluating potential borrowers.**

The application scorecard provided by Experian will enable the bank to optimize risk assessment and to apply an individual strategy for each customer at the application stage. The new approach will ensure objective and quicker decisions on applications filed by potential borrowers and will allow the bank to assess their level of risk. This approach reduces credit risk and increases operational efficiency by enabling the automation of the preliminary application analysis.

The implementation of this project was made possible as a result of the partnership between CityMortgage Bank and Experian formed during an earlier 'data audit' consulting project, and the recognition of Experian's experience in the development and implementation of several application scorecards for mortgage operations in Russia. The high quality of historical data accumulated by the Bank helped to significantly increase the efficiency of the models implemented

CityMortgage Bank intends to use the scorecard in all mortgage programs in all regions where it maintains its presence. The scorecard will be subject to a regular review to maintain maximum efficiency, which may lead in the future to the development of niche scorecards for even better predictive performance. As data is accumulated the bank will be able to make a smooth transition from a generic to a bespoke model. Experian's methods create a partnership in analytics and risk management delivering a significant improvement in the quality of the credit portfolio through working with the bank and a comparative analysis against mortgage scorecards in the CIS.

Commenting on the project, Olga Sadovskaya, board member of CityMortgage Bank said, "This system enables our organization to transition from an expert model of evaluating borrowers to a model which also uses the bank's statistical data and other criteria for making lending decisions. As a result, the decisioning process becomes simpler, application review times are reduced along with operational and process costs as well as the risk component because the system will enable a more accurate assessment of the probability of default at the application review stage."

Alexander Belenky, Business Development Director Experian's Decision Analytics division, said: "Mortgages are perhaps, the most complex credit product available to consumers and we are especially pleased that CityMortgage Bank is continuing to develop operations in this segment and actively improving its processes with Experian's support. The Russian banking market is entering a new stage in its development when specialization enables banks to create more competitive products, manage risk with greater efficiency and therefore better meet customer needs."

#### **About Experian**

Experian is a global leader in providing information, analytical and marketing services to organisations and consumers to help manage the risk and reward of commercial and financial decisions.

Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organisations around the world to establish and strengthen customer relationships and provide their businesses with competitive advantage.

For consumers, Experian delivers critical information that enables them to make financial and purchasing decisions with greater control and confidence. Clients include organisations from financial services, retail and catalogue, telecommunications, utilities, media, insurance, automotive, leisure, e-commerce, manufacturing, property and government sectors.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Experian has corporate headquarters in Dublin, Ireland and has operational headquarters in Costa Mesa,

California and Nottingham, UK. The Group employs approximately 15,500 people in 38 countries worldwide, supporting clients in over 65 countries around the world. Revenue for the year ended 31 March 2008 was \$4bn.

For more information, visit <http://www.experianplc.com>.

#### **About Experian's Decision Analytics division**

Experian's Decision Analytics division's enterprise-wide solutions combine data intelligence, predictive analytics, decision-enabling technologies, strategy optimisation and consulting services to enrich client data and allow organisations to maximise profitability and performance from their customer relationships. Its fraud and identity solutions enable clients to prevent fraud at all stages of the customer lifecycle – from authentication and application fraud through to transactional and open account fraud.

Experian's Decision Analytics division works closely with clients in more than 60 countries across diverse industries, including financial services, telecommunications, retail, leasing, automotive, insurance, government agencies and utilities, enabling them to make billions of customer-focused decisions annually. With over 20 years experience in fraud and identity solutions, the company has clients worldwide and collaborates with organisations, associations and trade bodies to further develop data sharing schemes and support new fraud prevention initiatives.

Experian's Decision Analytics division has more than 30 years experience of managing bureau data, adding intelligence to that data and delivering analytical solutions. It maintains connectivity with more than 70 credit bureaus around the world and, with offices worldwide, is uniquely qualified to support local, national, regional and global businesses.

For more information, visit the company's website on [www.experian-da.com](http://www.experian-da.com).

#### **About CityMortgage Bank**

Limited Liability Company CityMortgage Bank (the license of the Central Bank of Russia №1627), part of Morgan Stanley's global financial services company, is a specialized mortgage bank. Bank equity is about 1.8 billion roubles.

CityMortgage Bank is a member of a number of associations – the Association of the Russian Banks (ARB), the Association of the Regional Banks, the Russian North-Western Banking Association, the Mortgage Banking Association (MBA, in the USA).

CityMortgage Bank became the first private Russian Bank which has securitized its mortgage portfolio in the US and European markets. The securitization of a mortgage portfolio was recognized the «Deal of the Year 2006 –Emerging Markets».

In September 2007 International Rating Agency Fitch awarded CityMortgage Bank the Russian primary mortgage loans servicer rating «RPS3(RU)». This was the first time in Russia when a bank has received such a rating. Later the rating was raised till the level «RPS3+(RU)».

Today CityMortgage Bank successfully implements mortgage programmes throughout its many offices in 23 Russian regions.

CityMortgage Bank was recognized as the Bank of the Year at the mortgage market. The Bank is the winner of the prestigious «Russia's Financial Elite-2008» award.