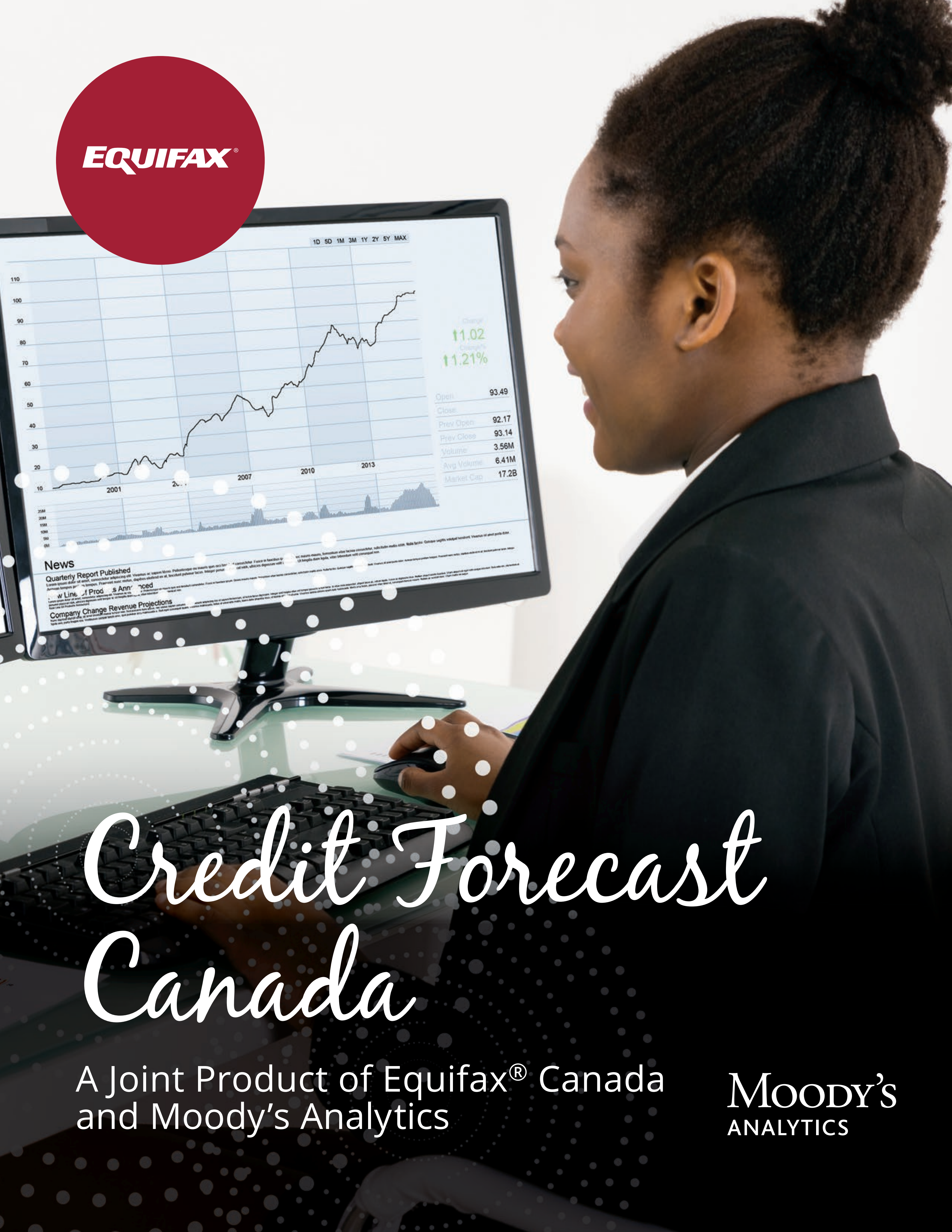
EQUIFAX®



Credit Forecast Canada

A Joint Product of Equifax® Canada and Moody's Analytics

MOODY'S ANALYTICS

Key benefits

Enhance your understanding of consumer credit conditions to improve business performance and risk management.

Stay competitive and shape strategic decisions with historical and forecasted economic and credit data.

Obtain insights on how regional economic conditions impact consumer behaviour.

Identify potential risks by score band, geography, product category and other key metrics.

Evaluate origination opportunities through forecasts of markets and borrower segments.

Inform strategic decisions and validate assumptions based on current and expected industry trends.

Benchmark your portfolio's performance against the market or subgroups based on different cohorts.

Help Improve Business Performance and Risk Management with Proven Economic and Credit Insights

CreditForecast™ provides forward-looking insights into how economic conditions affect Canadian consumer credit behaviour by combining the comprehensive strength of Equifax Canada's consumer credit data with Moody's Analytics economic modelling and forecasting expertise.

Through this unique service, lenders can significantly enhance their understanding of consumer credit conditions to improve business performance and risk management. By linking credit performance and origination quality metrics with underlying local economic drivers, CreditForecast Canada offers granular insights and forecasts of performance, volume and quality under baseline and alternative economic scenarios.

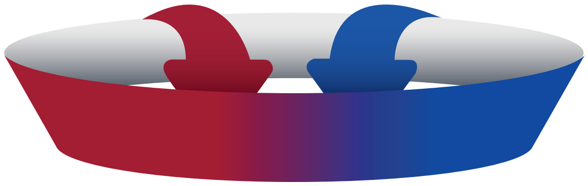
CreditForecast Canada offers granular insights and forecasts of performance, volume and quality under baseline and alternative scenarios

ATIO

CreditForecast Canada

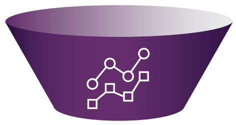
Equifax Canada - Data
- Origination counts and balances
- Outstanding accounts and balances
- Delinquencies and defaults
- Bankruptcies
- Closed positives

Moody's Analytics - Data
- Economic variables
- Demographic variables
- Financial variables
- Baseline and alternative macroeconomic scenarios



Moody's Analytics - Modelling
Models incorporate:
- Origination vintage
- Regional information
- Borrower information
- Macroeconomic scenarios

CreditForecast Canada
- Five-year forecasts
- Monthly data and analysis updates
- Quarterly forecast updates



Key Features
- Coverage of auto, credit cards, residential and personal loans products
- Performance forecasts by origination credit scores, vintage, geography and institution type. Projections available in levels and rates (#, $)
- New volume forecasts
- Geographies: national, provincial and census metropolitan area (CMA)
- Monthly data updates and quarterly forecast updates
- Scenario-conditioned projections with associated narratives

Evaluate the impact of shocks and differing economic assumptions on your portfolios.

Each scenario is accompanied by a narrative describing the assumptions behind it.

S4 **Severely Adverse** 96th Percentile

S3 **Adverse** 90th Percentile

BL **Baseline** 50th Percentile

S4 **Stronger Near-Term Growth** 10th Percentile

S3 **Stronger Near-Term Growth** 4th Percentile

Key Applications

Risk Management and Compliance

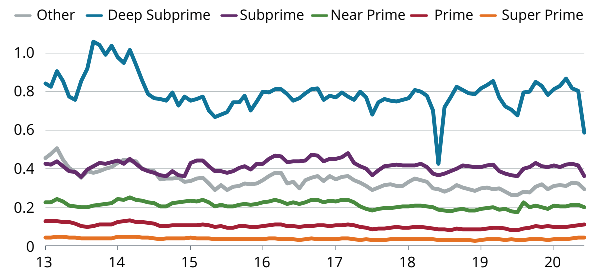
- **Accounting Compliance:** Use industry Probability of Default (PD) rates as the starting point for IFRS 9 compliance where in-house data or models are lacking or as a benchmark to internal models
- **Benchmarking:** Assess portfolio's performance against the entire market or subgroups based on cohorts
- **Profit and Loss Forecasting**: Improve the accuracy of your P&L forecasting by incorporating economic data
- **Regulatory Reporting:** Stress test your portfolio using back-tested and documented industry models
- **Sensitivity Analysis:** Evaluate the sensitivity of your portfolios to shifting economic conditions

Strategic Planning

- **Investing:** Evaluate product and borrower segment opportunities and risks
- **Origination:** Improve existing pricing models or use as the source of data for new pricing models in new areas entered. Assess opportunities to expand along with performance data
- **Geographical Analysis:** Strategically identify and assess the performance of different markets your business is considering
- **Marketing:** Target growth areas by leveraging local market and credit behaviour insight

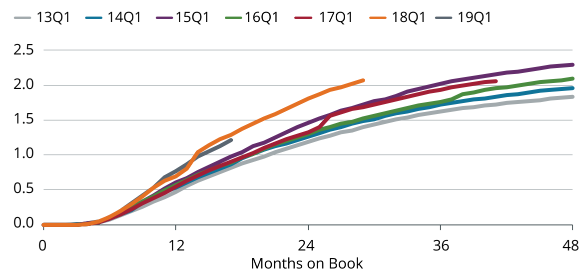
Refine Analysis to Granular Risk Score Cohorts

Credit Card, 90 day delinquency rate by origination risk score, %



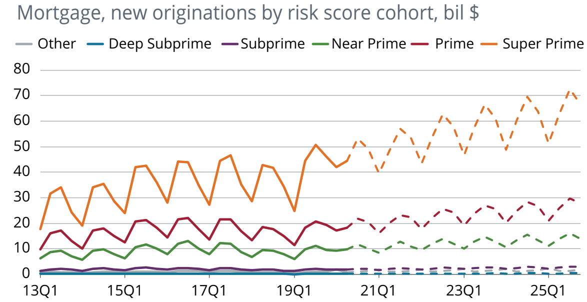
Compare Credit Quality Across Loan Vintages

Auto loan, cumulative default by vintage, percent of origination



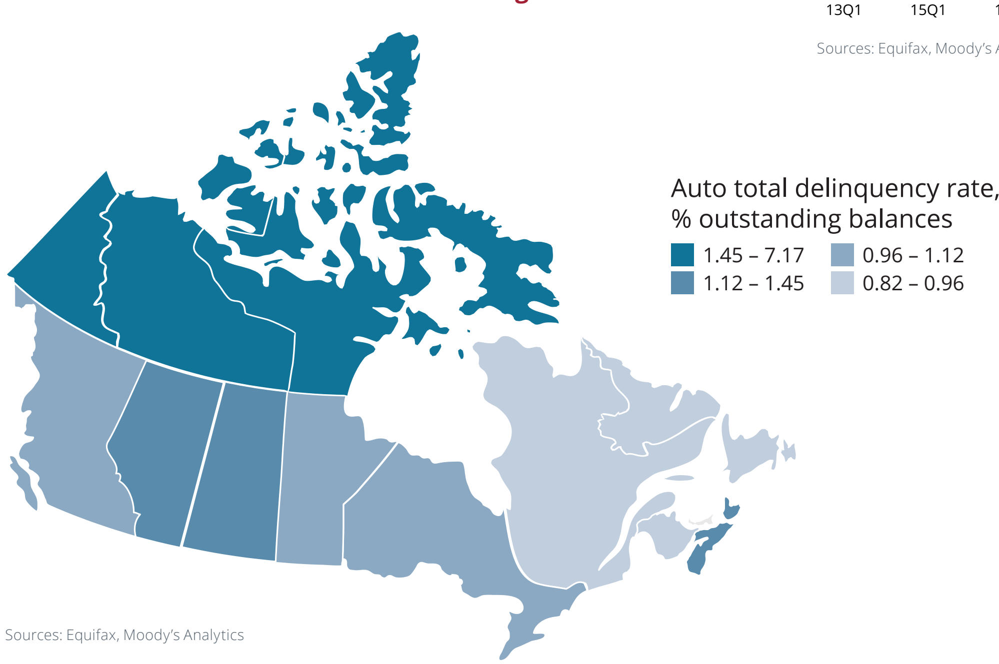
Track Shifts in Industry-Specific Issuance

Mortgage, new originations by risk score cohort, bil $



Sources: Equifax, Moody's Analytics

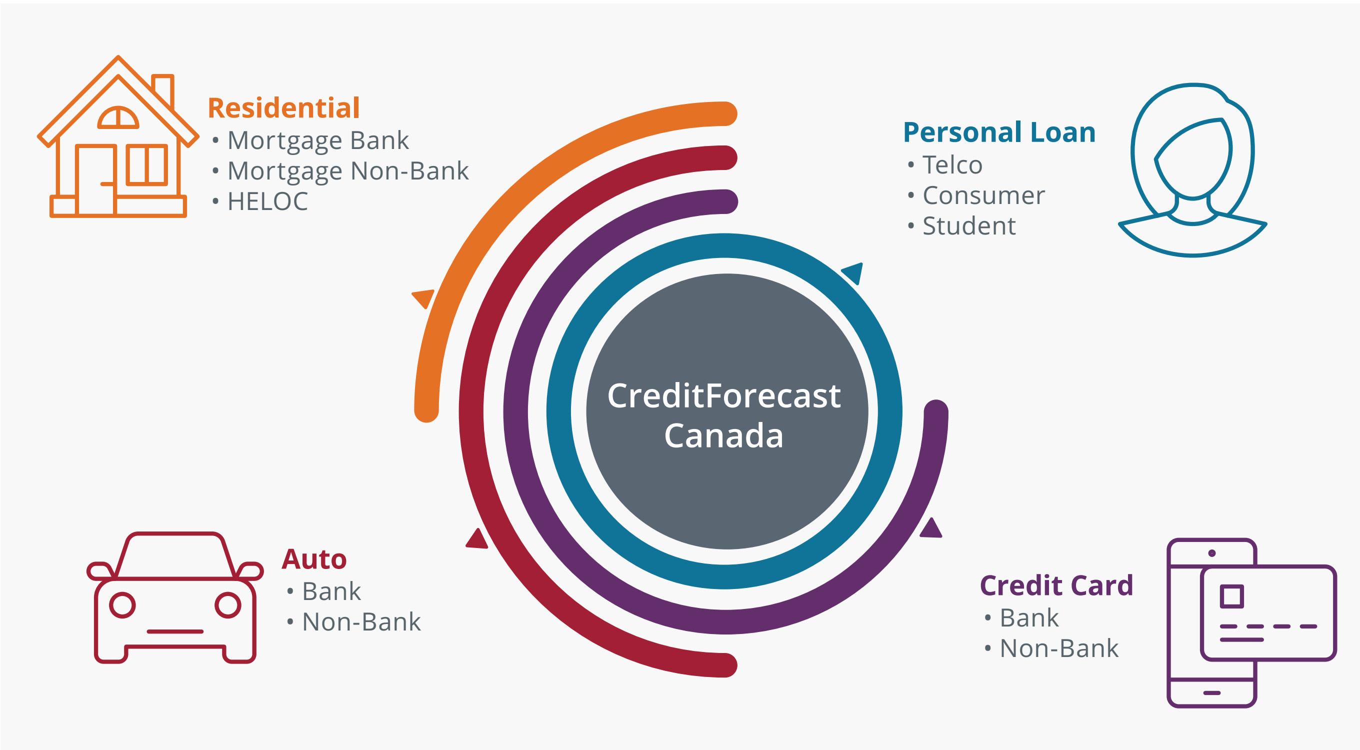
Track Performance Across Sub-National Regions



Sources: Equifax, Moody's Analytics

Product Categories

CreditForecast Canada provides credit data for four mutually exclusive product categories. Users can subscribe to all products or just the ones that are important for their business.



To learn how CreditForecast Canada can help you fortify your market position and increase overall performance, call us today or visit us online.

1.800.879.1025 • www.consumer.equifax.ca/business/creditforecast