

## **MCB Finance Enhances Risk Management with Support from Creditinfo SCHUFA**

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MCB Finance, the consumer finance company providing flexible credit solutions to retail customers in Finland, Estonia, Latvia and Lithuania, has achieved significant improvement in its arrears after considerable enhancements to its risk management infrastructure, despite the region being hard hit by the economic crisis. MCB Finance was supported in the review of its risk management processes by Creditinfo Decision, the risk management consultancy subsidiary of the Creditinfo SCHUFA Group. In the summer of 2009 MCB selected Creditinfo Decision to assist it in the development of improved risk management capabilities. This partnership extended the existing strong relationship between MCB Finance and Creditinfo Lithuania.

### **Supporting a Growing Business**

The improvements followed a three step program;

- An initial review of the risk management infrastructure and creation of a road map of improvements,
- the implementation of those recommendations, and
- an on-going process to continually monitor and improve risk management systems.

The implementation included the acquisition of new data sources, the introduction of updated statistical scorecards for each of MCB Finance's markets, as well as internal improvements to MCB Finance's organisational structure. The new data sources were derived from MCB's internal databases and external providers, including Creditinfo Lithuania.

The improved risk management structure has given MCB Finance greater control over credit issuance criteria and projected default rates, and resulted in improved repayment performance. The improved risk position will support the growth of MCB Finance's lending operations going forward.

According to Paul Randall, the Managing Director of Creditinfo Decision, "In the current demanding times the need for the executives to have control over the risk management strategy is more important than ever. We are proud to provide a partnership with MCB Finance and demonstrate our ability to work with them for improved risk management."

Rami Rhanen, Chief Executive of MCB Finance, said "In response to unprecedented market conditions we have taken a number of measures which are achieving the intended results. The support and experience of Creditinfo Decision has been of considerable benefit in this process".

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**About "MCB Finance"**

MCB Finance Group is a consumer finance company providing fast, convenient, easily understood and flexible credit solutions under the Credit24 brand to retail customers in Finland and the Baltic countries of Estonia, Latvia and Lithuania. In its markets, the Company is a leading participant in the non-standard segment of the consumer credit sector, providing small-denomination, unsecured loans of between €100 and €2,000 to qualifying customers, with maturities ranging from one month to two years. Loan products are designed to suit customers' needs, with simple and transparent terms and flexible repayment schedules. The Company operates in a segment of the market that is typically under-served by larger financial institutions.

Loans are mainly offered online through the Company's Credit24-branded websites in Estonia, Finland, Lithuania and Latvia, as well as through certain distribution partners in the Baltic countries.

**About Creditinfo Decision**

Creditinfo Decision is a risk management consulting firm that specialises in the development of risk models. We are the trusted advisor to the major financial organisations and our credit bureau partners in emerging and small credit economies.

Our aim is to improve the risk management infrastructure of our clients with a strong focus on the strategic objectives of the organisation. Through our solutions and advice we have already made substantial improvements to the performance of organisations and continue to have a passion for innovation.

To do this our people are dedicated and operate in a framework which provides them scope to grow and face diverse challenges on a daily basis. Within this framework we have many years of expertise and a deep source of knowledge.

**About Creditinfo Lietuva (Lithuania)**

Creditinfo Lietuva (Lithuania) is a bank of extensive information and credit risk management solutions for business. The company is systematically expanding and improving its products and aims at solutions which allow the clients to receive credible and necessary information in shortest possible time.

Both Creditinfo Decision and Creditinfo Lietuva are part of the Creditinfo SCHUFA Group.