



Russian bank flourishes in thawing credit market

success story:
decision management



Client	Bank Renaissance Capital, a consumer finance start-up in 2003 and today is the preeminent specialist in high opportunity emerging markets
Challenge	Quickly implement a scalable, flexible Decision Management system to manage risk and volume in a newly tapped consumer credit market, while setting the stage for an aggressive growth plan
Solution	FICO® Capstone® Decision Manager
Results	Average portfolio growth rate of 32% per quarter in 2005; application processing increased from zero to 80,000 in peak season months

“With Capstone Decision Manager, we can optimize what we know about the individual needs and preferences of our customers, and use that information to make customized offers, while controlling risk and increasing profitability.”

—*Fernando Silva,*
Bank Renaissance Capital

Bank Renaissance Capital, a consumer finance start-up business, needed to respond to a rapidly thawing consumer finance market. The volume of consumer credit issued in Russia had more than doubled and retail lending to private citizens saw a 50% increase in six months.

As a start-up business in an exploding market, the bank wanted an origination solution that was automated, efficient and resulted in accurate, consistent credit decisions from the beginning.

“Bank Renaissance Capital needed a flexible, scalable system that would help us make consistently intelligent decisions at the individual customer level,” says Fernando Silva, director of risk at Bank Renaissance Capital.

The bank established an aggressive growth plan, one that would make it an important player in consumer lending. In a short timeframe, the bank wanted to implement one Decision Management system to manage its whole originations process—across all areas of business.

After evaluating alternative systems for a solution that would keep pace with its aggressive plans, Bank Renaissance Capital selected Capstone Decision Manager for its ability to take the guesswork out of decisioning processes and make faster decisions.

» Rapidly unleashed solution increases efficiency

“The ease and speed of implementation and localization in the Russian language made the product the right choice for us,” says Fernando Silva.

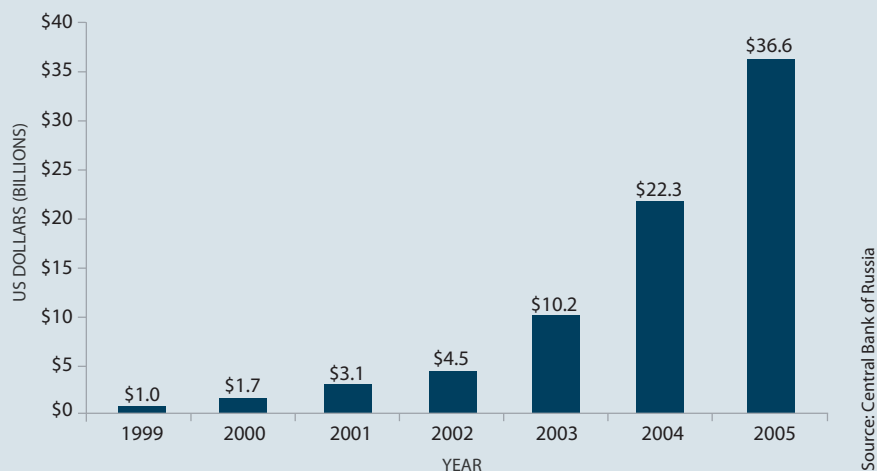
As FICO and Bank Renaissance Capital implemented Capstone Decision Manager, it marked the first implementation of FICO’s high-performance origination platform in Russia.

In just six months, the system was ready to go and support the growth plan. The system has processed up to 80,000 applications a month for Bank Renaissance Capital.

Capstone Decision Manager provides the workflow, database management and decision management framework for the bank’s origination decisions. It seamlessly integrates with existing systems and allows easy access to internal and external data sources, increasing efficiency by automating business policy implementation and streamlining workflow.

When manual intervention is required, Capstone Decision Manager expedites the process by performing routine tasks and delivering applications to analysts with complete information.

Growth of outstanding Russian consumer loans



The volume of consumer credit issued in Russia had more than doubled in 2004, and increased 64% in 2005. To thrive in the exploding market, Bank Renaissance Capital needed a reliable, scalable origination solution that was automated, efficient and resulted in accurate, consistent credit decisions.

» Flexible architecture improves decisions

FICO™ Capstone® Decision Manager is designed to increase processing flexibility and efficiency, improve the quality of credit decisions and lower the costs associated with processing applications.

With its flexible architecture, the Capstone system quickly adapts to evolving business strategies, and supports expansion in a challenging and fast-growing market.

"Capstone Decision Manager provides a flexible platform to deal with the complexity of managing risk in Russia. It allowed us to expand the business profitably into more than

"Capstone Decision Manager... allowed us to expand the business profitably into more than 300 retailers in 27 cities across Russia in less than one year of operation."

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» High portfolio growth rate

The system has enabled Bank Renaissance Capital to make real-time decisions that balance risk and reward to boost its bottom line.

It supports the bank's new consumer finance initiatives, including the processing of remote applications for installment credit on unsecured merchandise, such as electronics products, credit cards, auto loans and general purpose loans and mortgages. The origination system supports:

- **Sales and marketing**—maximizes return per customer at POS and drives growth
- **Operations**—manages processes for customer service and satisfaction
- **Risk and analytics**—balances volume and losses, and allows more aggressive sales with controlled risk

The Capstone system has also enabled Bank Renaissance Capital to deploy tailored

Decision Yield

Precision

Bank Renaissance Capital can deploy tailored risk offerings based on business markets or changing business strategies. As a result, its portfolio growth rate was 32% per quarter in 2005.

Consistency

The bank can make consistent, accurate credit decisions, even while expanding into more than 300 retailers in 27 cities across Russia in less than one year.

Agility

With its flexible architecture, the Capstone system quickly adapts to evolving business strategies, and supports expansion in the challenging and fast-growing Russian market.

Speed

Capstone Decision Manager increases efficiency by automating business policy implementation and streamlining workflow. The system has processed up to 80,000 applications a month.

Cost

By increasing processing flexibility and efficiency, the bank has lowered the costs associated with processing applications.

offerings based on business markets or a change in business strategies. The risk of market-segmented offerings can be gauged by applying the Capstone system's custom models. The end result is an average portfolio growth rate of 32% per quarter in 2005. This has made Bank Renaissance Capital one of Russia's fastest-growing consumer finance banks.

"With Capstone Decision Manager, we can optimize what we know about the individual needs and preferences of our customers, and use that information to make customized offers, while controlling risk and increasing profitability," says Fernando Silva.

FICO™

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