



The future of information use

An overview of Experian's business today and how it is evolving to create greater opportunity for people and business.

It's not just credit reporting anymore!



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What is the currency that drives global economies?



The business of Experian

We provide credit data, analytics and technology to many of the largest business verticals in North America



Consumer

Direct relationships with more than 69 million consumers, and tens of millions more indirectly through client partnerships.

Membership, Marketplace, Smart Money, Boost, Partner Solutions



Financial Services

Deep client penetration across segments, including banks, card issuers, non-bank lenders, credit unions and fintechs.

Scores and Profiles, Analytics, Decisioning, Fraud, Employer Services/Verifications



Healthcare

Serving more than 60% of U.S. health systems who rely on our solutions to get paid for the services they provide and to enable more seamless administration for patients.

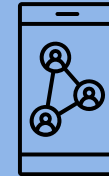
Revenue Cycle Management, Digital Front Door, Fraud and Identity



Automotive

Serving more than 85% of manufacturers, 90% of the top-50 lenders, and 15,000 dealers who rely on our solutions to acquire customers, underwrite loans, manage risk, and assess vehicle histories.

Auto Marketing, Credit Solutions, Fraud/Value Recovery, Vehicle History, Industry Statistics

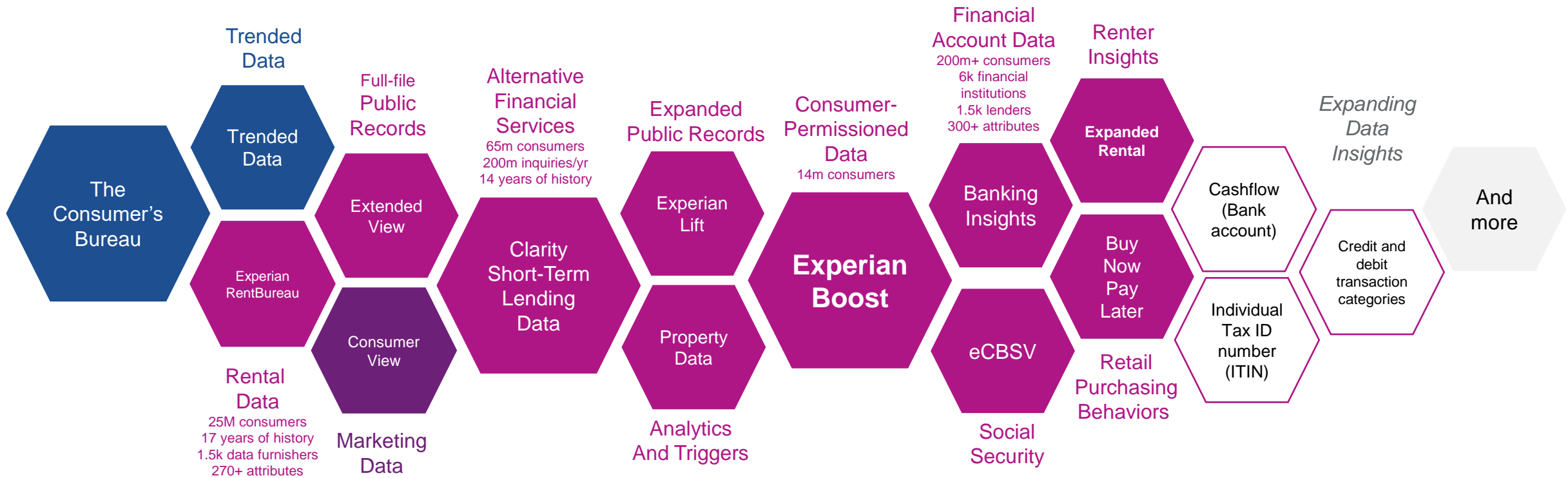


Media & Technology

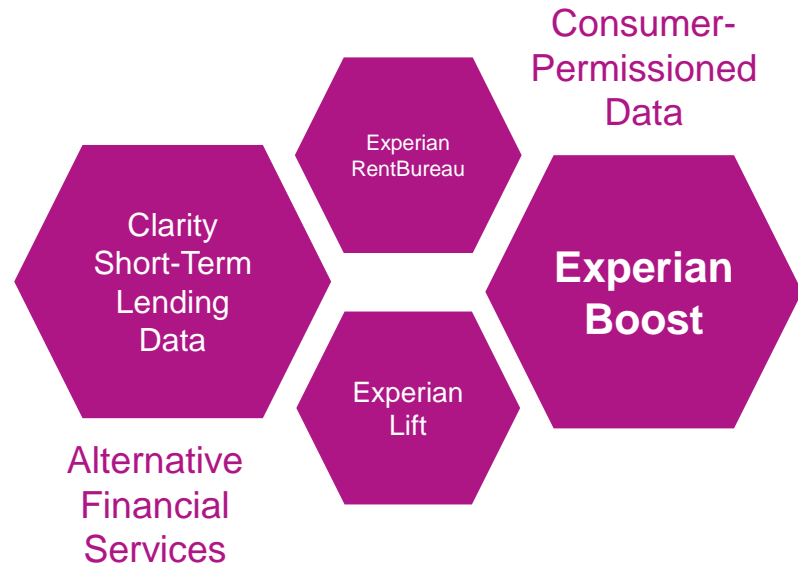
Directly serving many of the largest vertical advertising spenders, and available across most of the major advertising platforms.

Marketing Data, Identity, Fraud, Employer Services/Verifications





Data is essential to enabling Financial Inclusion



- Expanded FCRA Data including things like payday loans and title loans give insight into how those with no access to traditional financial services manage their finances, showing lower risk and creating greater opportunity to overcome barriers to access.
- The majority of people facing barriers to financial inclusion rent. Positive rent payment history helps to establish good financial habits that create opportunities to access lower cost financial services.
- New credit scoring models that incorporate non-traditional data help to identify people who should qualify for traditional credit accounts but otherwise would not.
- Consumer reported data in services like Experian Boost help to overcome barriers to financial inclusion by having information not reported by businesses included in their credit history.

Who does additional data help?

28M

credit invisible consumers

>26%

Black & Hispanic consumers unscorable or credit invisible

4M

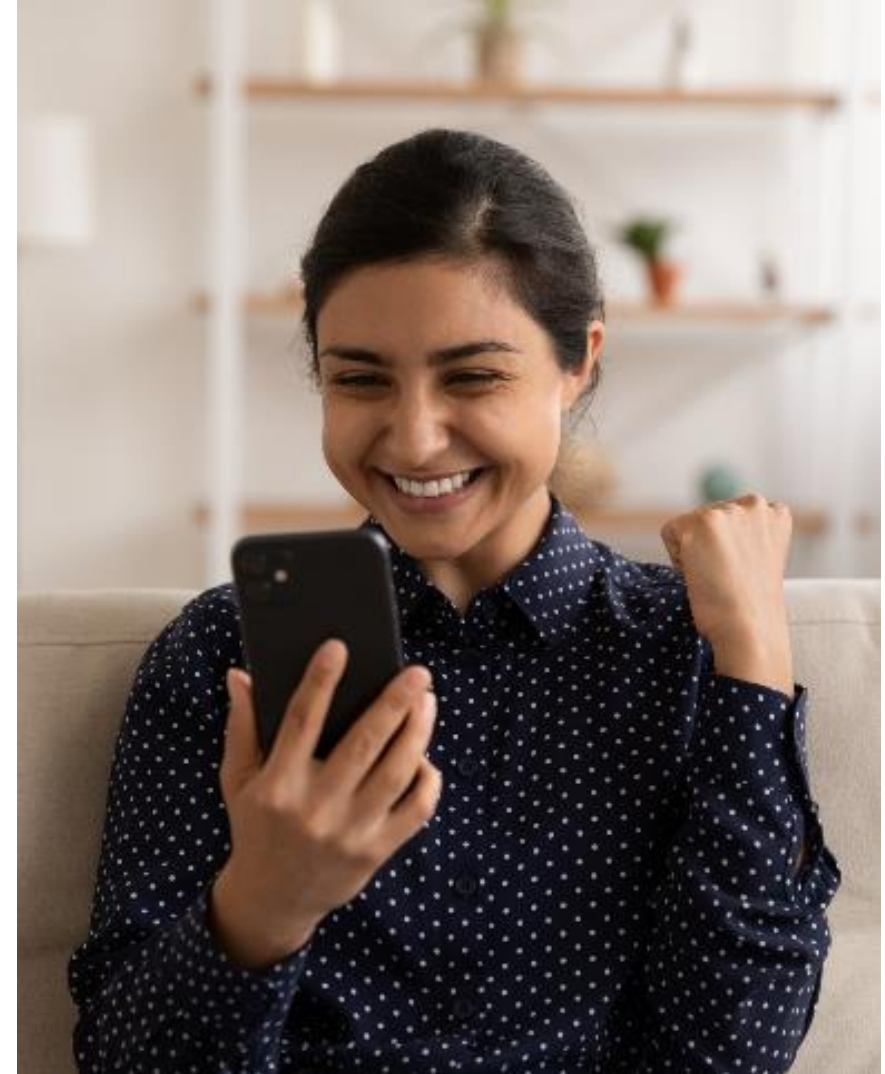
consumers turn 18 every year

20M+

U.S. consumers between 18-23 years old

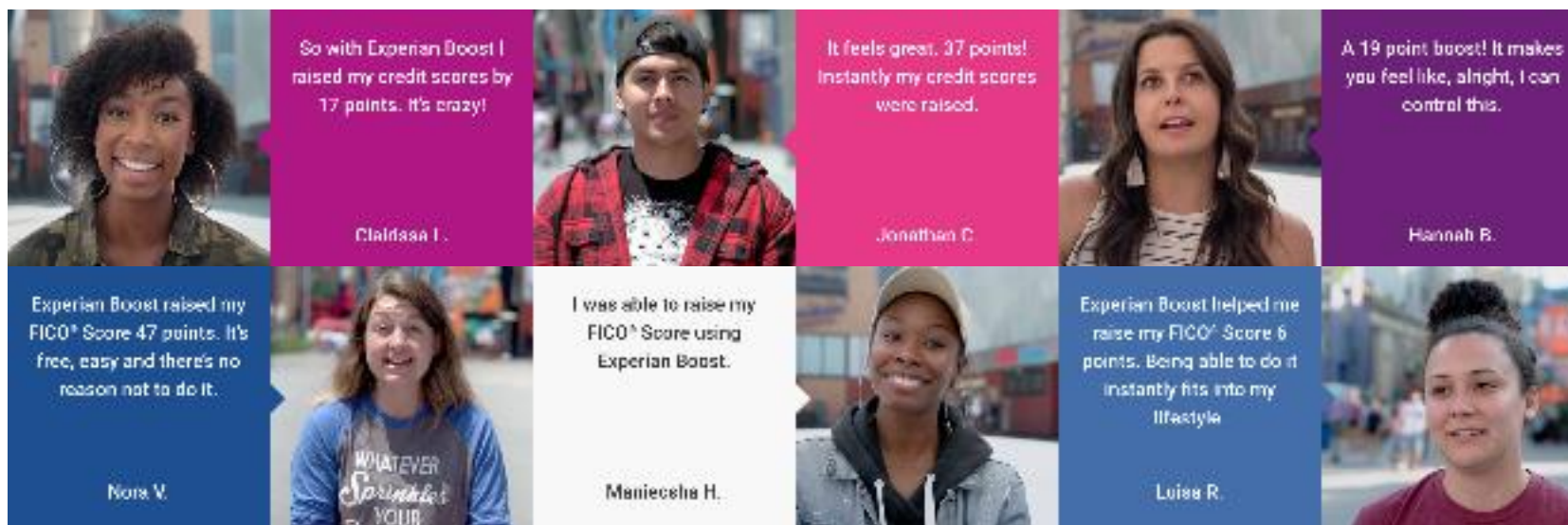
30K

credit invisible consumers visit Experian monthly...
with no marketing



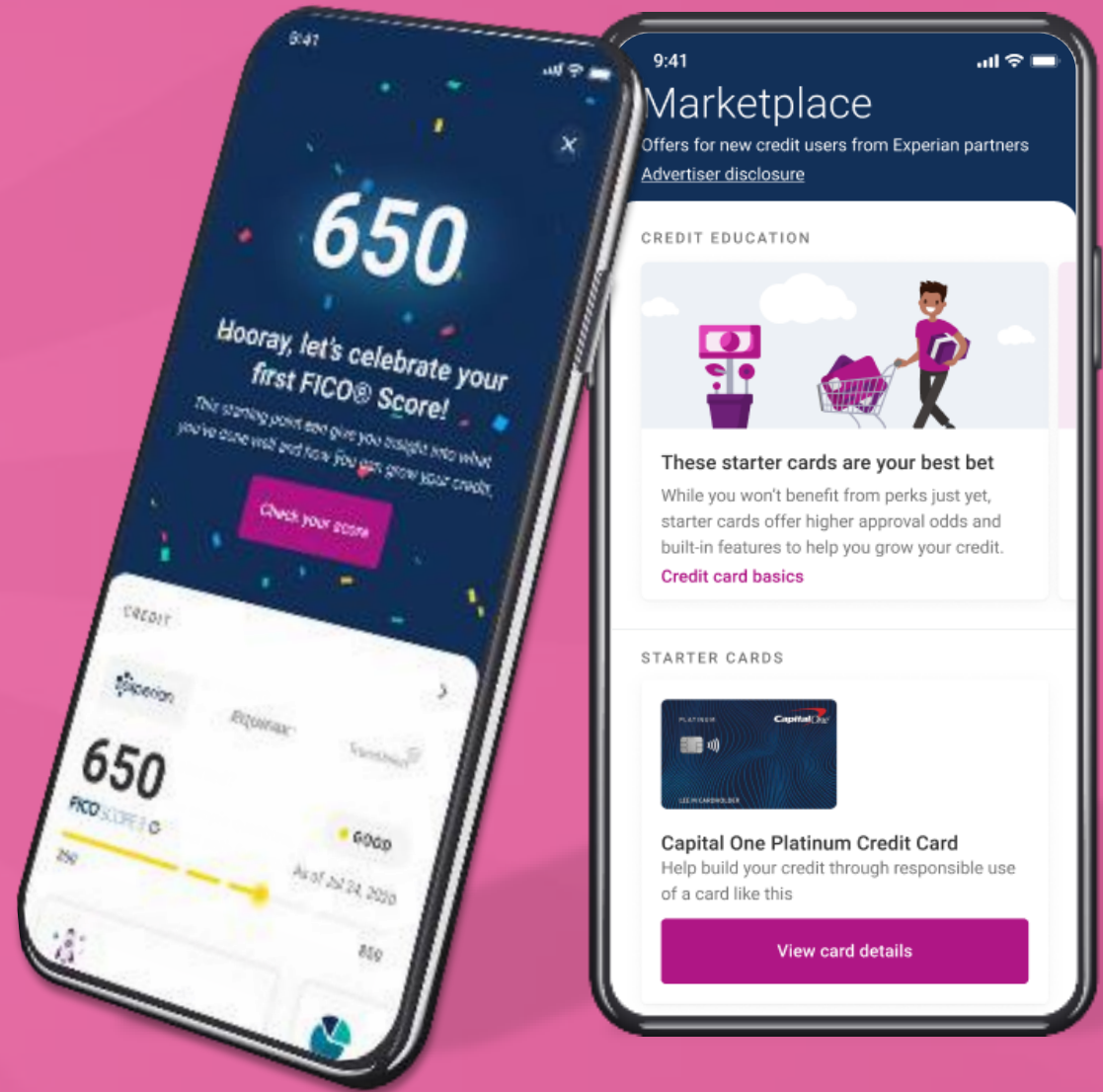
Experian Boost

- Experian Boost, introduced in March, 2019 is a first in credit reporting history
- Add positive utility, streaming, telecom and some rental payments that could potentially **instantly improve your credit scores**
- **Payment information** from your checking or savings account, or credit card account
- Only with **your** permission
- Most effective for people with **thin credit files** or credit scores **below 680**
- Average score boost of **13 points**

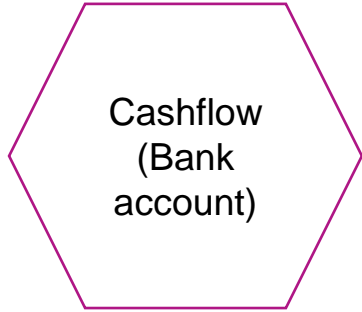


Real customers paid for participation.

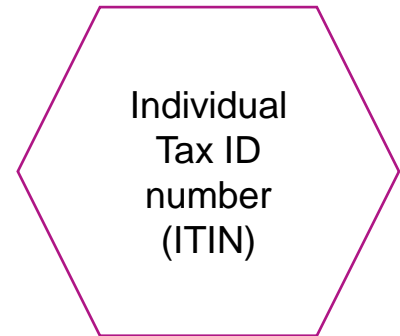
Experian Go™ enables first time access to credit and education in minutes



Exploring the future of data to drive financial inclusion



- Cash flow analysis looks at bank account information.
 - Particularly checking and savings account usage.
 - Good management of cash resources (overdraft history, balance history, bill payment) may be predictive of better credit risk.
 - Additive, not independent. More data is generally more predictive.
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- New immigrant populations often do not have Social Security numbers. Without a strong identifier, it's difficult to establish a credit history, open financial accounts or qualify for credit.
 - New immigrants often do obtain and Individual Tax Payer Identification Number (ITIN).
 - Utilizing ITINS as a proxy for SSNs is frequently promoted.
 - Much more challenging than it seems.
 - Very little identity verification required to obtain an ITIN.
 - Banking regulation creates barriers to use as a substitute for SSN.



The advent of Artificial Intelligence

Where we are now and what the future may hold



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“I’m going to retire in about two years. . . .”

“. . . because AI will replace my role in three years.”

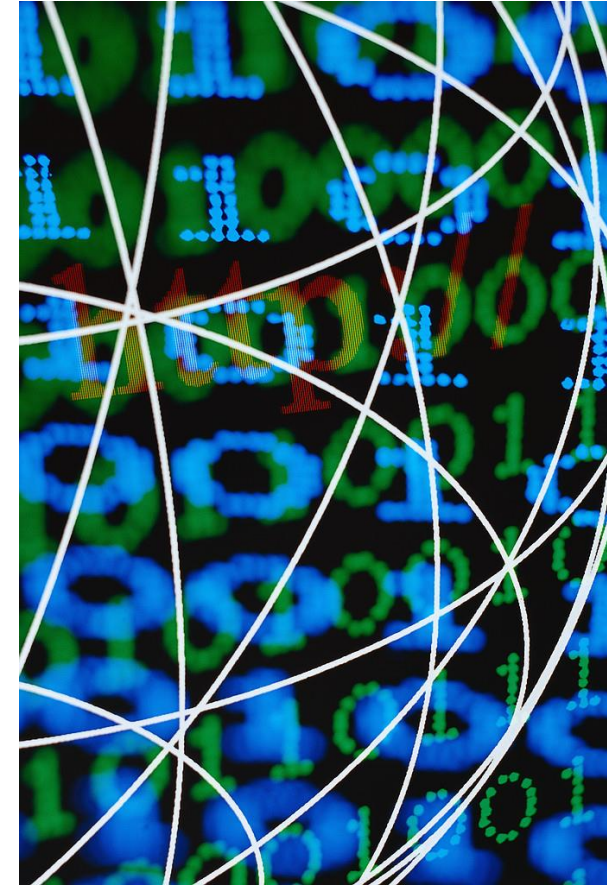
-- Doug Mayes



The Terminator's name is Jasper?

The rise of Artificial Intelligence

- The use of artificial intelligence is not new.
- Neural networks have been widely used for many years. Highly effective in identifying potentially fraudulent spending/charging patterns, for example.
- Almost entirely in the background.
- Generative AI is new and transformative to our existence.
- Some say akin to the industrial revolution.
- Experian's head of AI development compared it to the Manhattan Project.



Neuro ID – AI combatting AI to protect consumers



- Experian recently acquired NeuroID, a behavioral analytics company
- Technology helps to identify and prevent Generative AI-driven fraud
- Monitors and analyzes a user's real-time digital behavior to distinguish between humans and machines
- For example, it can recognize differences in how humans navigate and enter form data from how an AI does
- AI vs. AI



The Current State of Generative AI Use for Personal Finance



- More than 3 in 5 adults (63%) are familiar with generative AI technology.
 - Just under a quarter of adults (23%) say they are *very familiar* with generative AI technology.
 - Adults most frequently cite creativity (40%), shopping (34%) and education (31%) as being within their top three areas of their life they would most likely use a chatbot or generative AI tool to help with.
 - A third of adults (33%) say they currently use generative AI for learning about personal finances or learning more about a new topic.
 - Nearly half of adults (47%) say they have used or are considering using generative AI-powered tools or apps to help with managing personal finances.
 - Among those who have used generative AI-powered tools or apps to help manage personal finances, 96% say their experience has been positive.
 - Among those who have used generative AI-powered tools or apps to help manage personal finances, 77% say they use it for personal finance tasks/needs/planning once a week or more often.
-
- 60% of adults who have used generative AI to manage their finances say that generative AI is most helpful for saving and budgeting. Further, nearly half say that generative AI is most helpful for investment planning (48%) and credit score improvement (48%).
 - A third of adults say they would use a product or service integrated with generative AI to compare financial or banking products.
 - Over a third of adults say they would use a product or service integrated with generative AI to categorize expenses or to monitor spending.
 - Among adults who have used generative AI-powered tools or apps to help manage personal finances, 2 in 3 say it helps them be more productive or make decisions faster. Further, more than half say it makes them feel smarter or more empowered and 50% say it makes their life easier.



But do we trust Generative AI?

- Among adults who have *not* used generative AI-powered tools or apps to help manage personal finances, nearly half say this is due to privacy and data concerns or worry about sharing sensitive financial data.
- A third of adults who have *not* used generative AI-powered tools or apps to help manage personal finances say they aren't using it simply because it's not something they've thought about before.
- Nearly 2 in 5 adults (38%) say they trust AI-generated financial advice just as much or more than advice from human advisors.
- **Nearly half of Gen Z adults and millennials say they trust AI-generated financial advice just as much or more than advice from human advisors.**
- More than 2 in 5 adults say they feel comfortable sharing their personal finance information with a generative AI tool that uses this information to improve your financial health.



AI has enormous potential for good

- Better data accuracy
- Faster, more accurate risk analysis
- Greater financial access because more people can be approved
- Lower cost credit due to lower losses related to fraud and default
- Reduced incidences of fraud and identity theft
- Improved customer service
- Increased productivity
- Reduced workload
- New economic opportunities (ie: the “Rod Bot”?)



AI has an equally enormous potential for harm

- Identity theft
- Financial fraud
- Employment fraud
- Academic fraud
- Economic disruption
- Job loss (ie: the “Rod Bot”?)
- Growing financial wealth gaps
- Extreme financial class division

The language we use is important :

- It, they, them
- Learning systems
- We don't really know how “they” work
- Hallucinate responses
- Keep them in a “walled garden”
- English is the new programming language

Can we keep pace?

- Evolving extraordinarily rapidly
- Already capable of writing, speaking and appearing as avatars that pass for real people
- Discussion emerging about the need for HR representatives for “AI employees”

Which jobs are most likely to be impacted?





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