



Decide with Confidence

Dun & Bradstreet Credit Bureau Solutions

D&B South Asia Middle East

What is a Credit Bureau ?



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An organization that:

- Collects data pertaining to
 - Identity data about Consumer (Individual) and Commercial (Business) entities
 - Credit Information
 - Payment History
 - Litigation Information
 - Public Records
- Compiles Credit Information Reports on consumer and commercial borrowers and makes these available to members on request
- Is a neutral third-party service provider for the financial sector

Role of a Credit Bureau



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- To provide credit information which is
 - Centralized
 - Comprehensive
 - Reliable
- To facilitate sound credit decisions
 - Whom not to give credit, and more importantly,
 - Whom to give credit
- To provide tools for effective risk management
 - Arriving at risk weighted credit pricing
 - The evaluation of risks when changing the terms of credit agreements
 - The evaluation of risks related to any other transactions with deferred payments and any Contingent Liabilities

Sources of Information



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Public Sources

- Courts & Immigration Authority
- Chamber of Commerce & Industry
- Commercial Registry
- Law Enforcement Agencies

**Credit
Bureau**

Private Sources

- Commercial Banks
- Foreign Banks
- Credit Card Issuers
- Firms Providing Loans
- Retail & Merchants
- Leasing & Finance Companies
- Public Utilities

Certain challenges faced due to rising credit...



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Challenges

Greater geographical spread – more time and effort to obtain information

Less control on avoiding credit to “bad” applicants & lack of credit monitoring

Increased processing time and higher operating costs

Greater risk exposures

... can be overcome through a Credit Bureau



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Challenges

Greater geographical spread – more time and effort to obtain information

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Greater risk exposures

Existence of a Credit Bureau

Provides Centralized source of credit information

More reliable credit decisions; also will facilitate creation of effective monitoring services

In-depth credit reports will reduce required analysis per application; saves time and cost

More informed decision making; reducing overall risk exposure



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Benefits of a Credit Bureau

SME

- Faster and easier access to credit
- Reduced cost of borrowing for applicants with demonstrated credit performance

Members

- Increased market penetration
- Operating efficiencies
- Shift to information based banking
- Comprehensive risk review of clients
- Enables differential pricing based on payment behaviour

Regulators

- Provides effective credit risk monitoring mechanism
- Facilitates credit expansion without increasing risk
- Reduces NPLs and default probability levels in economy

Reputation Collateral



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- Credit Bureaus will deliver a comprehensive view of borrowers' debt exposures
- Debtors with good track records benefit from lower interest rates, as banks compete for good clients
- This will force borrowers to impose greater self-discipline in acquiring new financial commitments
- The credit bureau will ensure that the borrower does not resort to strategic/willful defaults
- In effect, the bureau will force borrowers to invest greater effort in building reputation collateral

Value Added Products & Services



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- Bureaus can also provide a wide range of value added products and services with focus on the consumer section
 - Credit Scoring: based on the number of parameters, including customer payment pattern; indicates likelihood of loan repayment, given various characteristics of applicant.
 - Fraud Detection Services: alerts credit grantors when any discrepancies are detected in applications.
 - Credit Monitoring Services: alerts credit grantors as and when event occurs affecting credit-worthiness of customers

Type of Bureaus



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World Class Bureau

- Negative info
- Positive info
- Public domain data
- Risk management
- Fraud prevention tools
- Consulting services

Comprehensive Bureau

- Negative info
- Positive info

Negative Bureau

- Negative info

Data Security



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- Only authorised members of the credit bureau will have access to data
- The usage of data will be restricted to pre-defined end uses
- The credit bureau will require a regulatory infrastructure to facilitate the flow of information by creating rights and obligations for both borrowers and lenders.
- The credit bureau will use proven technology not available in the public domain to ensure data security

Product Offering – CreditVerdict®



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CreditVerdict® delivers aggregated information, analytics and scoring on consumer (individual) and commercial (business) entities comprising of following details:

- Demographic and identity details
- Relationship Information
- Credit information: sanction amount, current balance, amount overdue, days past due etc.
- Non sufficient fund information
- Litigation information
- Public records
- Inquiry information

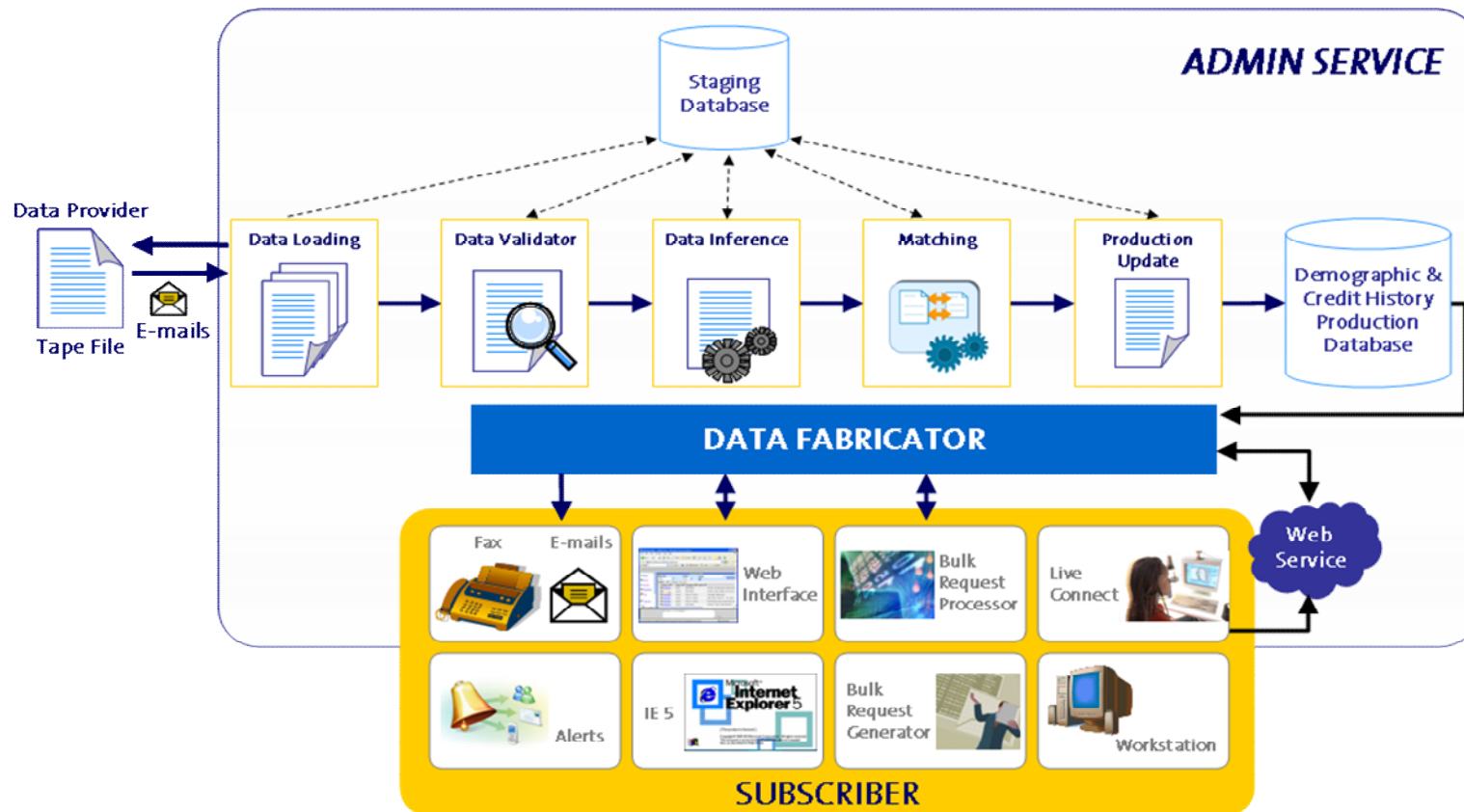


**Credit reports
serve as an effective
credit risk
assessment tool**

CreditVerdict® – Functional Components



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Thank You

Contact us for more information on D&B Solutions:

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