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**The Value of BIIA:** Since we have redesigned our website and back loaded 5 years of data from the newsletter, the BIIA website has become one of the largest reference sites for the business information industry. We cover a 6 year history of all announcements involving acquisitions & divestitures, new product introductions, new partnerships and international expansion. To access this treasure trove of information you need to log on to: <http://www.bii.com/member-services/industry-news-by-company>

## LATE BREAKING NEWS

### A Research Project Concerning the Mining of Data from the Internet Draws Political Flak

*Is it fair and ethical to use data not directly relevant to any consumer credit product and/ or any financial transaction to evaluate creditworthiness of consumers, was a question raised recently on the LinkedIn Group: "Credit Bureau and Consumer Credit Risk Management?"*

We now have a life case of public opinion versus a credit bureau who wanted to conduct more research on this issue. The effect was almost predictable: The research project initiated by SCHUFA Germany concerning the mining of data from the Internet drew significant political flak.

The whole idea of the research project blew up when negative press coverage led to a significant amount of speculation and fantasies of how Facebook, Xing, LinkedIn, Yasni and Google Streetview data may be used in the evaluation of the creditworthiness of individuals.

The facts are: SCHUFA's academic partner, the Hasso Plattner Institute, at the University of Potsdam was to research what kind of data could be 'safely and responsibly' sourced from the Internet, data which has been placed there voluntarily and intentionally by someone to be seen by others. The second objective was to find out whether some conclusions could be extracted from the data. The term 'Internet' was meant in the broadest sense and social media such as Facebook was not specifically targeted. The project was transparent because SCHUFA and the Hasso Plattner Institute had issued press releases and posted the project on their respective websites. As a result of the extreme negative reaction SCHUFA and the Hasso Plattner Institute withdrew the project.

Based on the nastiness of the negative responses one can conclude that this is no longer an issue whether one should conduct research or not on this issue, in essence the legitimacy, credibility and image of consumer credit information is being challenged. Perhaps there are forces at work which may want to eliminate consumer credit information entirely in the land of Germany. The obvious lesson learned from this debacle for consumer credit information is: Do not even think about tinkering with social media data. The sad part is that a legitimate research project was turned into a 'hot potato' with the two parties involved dropping the project in haste. Even sadder is the part played by the Hasso Plattner Institute which did not defend its right to conduct academic research of their own choosing. When it comes to researching new business concepts German businesses often turn to academic institutions. That is good practice and the Germans are usually very good at using academic / business partnerships. SCHUFA is not alone in this. BIIA's partner Password (Germany) bemoaned the fact that nobody defended SCHUFA, not even its own constituents and owners: The Financial Services Sector!

By dropping this 'hot potato' the question will not go away. There are lots of opinions floating around whether Social Media is of any value or not. In the Middle East credit bureaus are staying on the sideline on this issue and leave it to the legislators to decide. Nevertheless there were comments that credit managers of Middle Eastern banks were using Social Media data in the assessment of credit. Relationships are an important cultural element in the Middle East; hence people seem to have a different attitude as compared to other parts of the world. Others are of the opinion that data sourced from the Internet is subject to obfuscation and thus irrelevant. **So what is wrong in finding out what is useful and what is not?**

**Sources:** German Press Coverage, SCHUFA and Hasso Plattner Institute, LinkedIn Group discussions

## LATE BREAKING NEWS

### The United Kingdom Business Information Providers Association (BIPA) Launches Website

Under the banner of facilitating business decisions by protecting access to publicly available data, the newly formed United Kingdom Business Information Providers Association has announced the launch of its website [www.bipa.uk.com](http://www.bipa.uk.com)

The website will serve to promote the work of the Association, which was formed in March 2011, to facilitate economic growth through the promotion and protection of statutory publicly available data used by Credit Reference Agencies (CRAs) in the UK. This includes information held at Companies House, which plays an essential role in reducing the risk inherent in business transactions by ensuring credit rating assessments are founded upon accurate data relating to the financial position of businesses.

Further, the website will support the Association's additional objectives of facilitating greater communication and information exchange between both the CRAs themselves and the wider business community and promoting the positive role this exchange can play in promoting responsible business lending.

Site visitors will also be able to access news on submissions the Association has made to Government invitations to participate in pre-legislative discussion on relevant policy issues. This includes the current Department for Business Innovation and Skills (BIS) consultations on 'Simpler Reporting for the Smallest Businesses' and 'The Plan for Growth'. The site also includes background and contact information on BIPA's founding member CRAs, who (in alphabetical order) are **Creditsafe Business Solutions Ltd, Dun & Bradstreet, Equifax, Experian and Graydon UK**, most of which are also members of BIIA. *Source: [Business Information Providers Association](http://www.bipa.uk.com)*

*The United Kingdom BIPA initiative follows in the footsteps of BIIA who has launched its website [www.biiacom.com](http://www.biiacom.com) in 2005 to provide a neutral open forum for its members to debate and resolve common issues with users, regulators, government and the public information sector; as well as promoting the industry by demonstrating the value of information for users and national economies as a whole.*

*BIIA in the process of launching [www.APCCIS.org](http://www.APCCIS.org) a website which concentrates on consumer education and issues about financial inclusion in the Asia Pacific region.*

*BIIA is also working on [www.msmeforum.org](http://www.msmeforum.org) which focuses on financial literacy and financial inclusion for Micro, Small and Medium Size enterprises.*

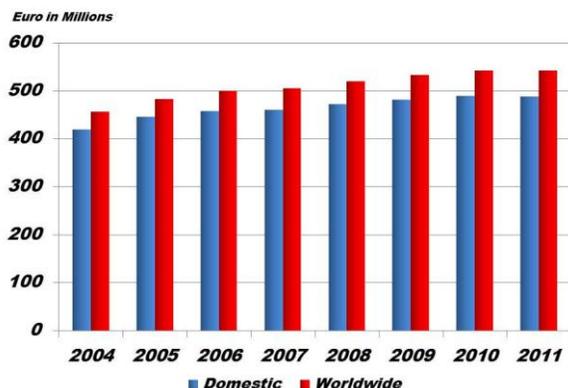
### BIIA and EASDP to Partner in Biggest Event Dedicated to the Business of Database, Search and Directory Publishing

EASDP and BIIA will partner in a special session on Thursday September 20th at 14:45 at the EASDP Congress in Toledo, Spain on the topic of: 'The State of Business Information and the Implications of the BIG Data Phenomena'.

BIIA members who are interested in attending should book via [biiainfo@biiacom.com](mailto:biiainfo@biiacom.com). A special discount of Euro 500.00 will apply. *For further information click on this link*

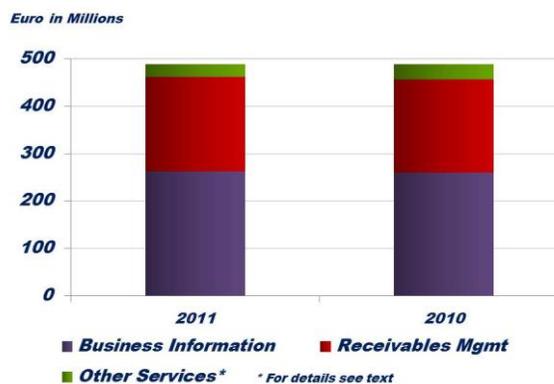
## MEMBER NEWS

### Creditreform Germany 2011 Overall Annual Results Flat – Growth in Factoring Services



Source: Creditreform Press Release for 2011 Results

BIIA



Source: Creditreform Press Release for 2011 Results

BIIA

Creditreform Germany reported 2011 revenues of Euro 488 million slightly below the 2010 results of Euro 489 million. Revenue distribution by services sectors were as follows: Business information Euro 263 million versus 2010 revenues of Euro 260 million, up 1%. Receivables management services were Euro 199 million versus Euro 197 million in the prior year, up 1%. Revenues for other services units such as: Creditreform Boniversum GmbH, CPM Creditreform Portfolio Management GmbH, Creditreform Rating AG, IMMO-Check GmbH and micromarketing-Systems and Consult GmbH were Euro 26 million versus Euro 32 million in 2010.

Creditreform's worldwide revenues from 22 country operations were Euro 543 million flat from prior year. The Creditreform 2011 consolidated results reflect the current uncertain economic climate in European markets and an increasingly competitive environment. In conjunction with the announcement of its 2011 results Creditreform gave further insights concerning current volumes of business transactions:

- Business information: 16 million credit reports (flat)
- Consumer credit reports: 22.5 million up from 20.9 million. The current database consists of 79 million German consumers
- Receivables management services handled more than 1,3 million collection cases
- Crefo factoring services: The accounts volume grew by 20% from Euro 955 million to Euro 1.148 billion

The growth in its factoring services can be contributed to the move of small and medium size enterprises to alternative financing, because of the reluctance of the banking system to provide adequate financing for these sectors. The combination of Creditreform business information and receivables management services provide a significant safety net to shelter it from receivables losses and to grow this segment profitably. **Source: Creditreform Press Release**

## MEMBER NEWS

### Bisnode sells Kompass in the Nordics

*Bisnode has sold Kompass in Sweden, Norway, Denmark and Finland. Kompass offers ad-based search services that identify companies, industries and specific products. This transaction is in line with Bisnode's strategy to refine the business and focus on growth in the core offering.*

Kompass Nordic is a part of a global franchise concept. Currently, Kompass is present in 70 countries across the globe and its unique product classification makes the service an accurate search tool and advertising space for the manufacturing industry. Kompass Nordic had a turnover of SEK 45 million in 2011 and has 25 employees in Denmark, Finland, Norway and Sweden.

"Bisnode has been refining its offering for a long time in order to focus on development and growth in the core business. As Kompass is a franchise concept and has an ad-based business model with product information, it offers limited synergies with the rest of our business, which is why we have decided to sell the company," says Lars Pettersson, CEO of Bisnode.

Source: [BISNODE](#)

### BIIA Member Panjiva's Trend Spotting Reveals Potential Supply Chain Disruptions

BIIA Member *Panjiva's unique trend spotting services* help companies to spot opportunities and potential problems in global supply chains. Here is just one example of potential supply chain disruption in international energy flows.

America is in the middle of a natural gas boom, due in part to explosive growth in the shale gas industry. News reports say that the spike in natural gas production is quickly filling domestic reserves and disrupting international energy flows as other countries line up to import it. Amid all the frenzy, one thing is certain: the cost of the abundant U.S.-produced gas has been dropping.

Panjiva's data shows that the unit cost of U.S.-exported Liquefied Natural Gas (LNG) has decreased by more than 50% since 2010. The average cost in Q1 of this year, \$150 per cubic kilometer, was less than half the average cost in Q1 2010. See Panjiva's trend spotting report [here](#).

Source: [Panjiva](#)

### BIIA Member Teikoku Databank America Inc. Celebrates its 20<sup>th</sup> Anniversary – Launches New Website

In conjunction with its 20<sup>th</sup> anniversary of its US Office [Teikoku Databank America Inc.](#) (TDB) has launched a new website. TDB America Inc. is a subsidiary of Teikoku Databank, Ltd., one of the largest suppliers of business information in Japan. BIIA wishes TDB America Inc. a happy anniversary.

Source: [TDB Announcement](#)

## MEMBER NEWS

### TransUnion: National Auto Loan Delinquencies Hit Lowest Level on Record

TransUnion reports that the national auto loan delinquency rate (the rate of borrowers 60 or more days past due) reached its lowest level since TransUnion began tracking the data in 1999. Auto loan delinquency rates in Q1 2012 dropped to 0.36%, down nearly 27% from Q1 2011 (0.49%). On a quarterly basis, auto loan delinquencies declined almost 22% from 0.46% in Q4 2011. This information is reported by TransUnion and is part of its ongoing series of quarterly analyses of credit-active U.S. consumers and how they are managing credit related to mortgages, credit cards and auto loans.

*Source: [TransUnion Press Release](#)*

### Equifax Launches Program to Address Credit Literacy Among U.S. Hispanic Consumers

Equifax Inc. (NYSE:EFX) announced that its Personal Solutions unit is launching an innovative program to address credit literacy among U.S. Hispanic consumers, including a Spanish-language web site ([www.equifax.com/espanol](http://www.equifax.com/espanol)) and three Spanish-language products.

Equifax is among the first of the major consumer credit product companies in the U.S. to target Hispanics with a program to educate the community on the importance of credit and also empower consumers with educational resources, products and tools to make sound decisions. Both the web site and products have been designed to meet the unique needs and preferences of the Hispanic consumer.

*Source: [Dailymarkets.com](http://Dailymarkets.com)*

### Equifax Launches Compliance Solutions for Allowance for Loan and Lease Loss Evaluation (ALLL)

New Equifax Portfolio Review Solution Helps Facilitate ALLL Regulatory Compliance and Junior Lien Reclassification Strategies for Financial Institutions

Challenging market conditions and recently updated federal regulatory guidelines are compelling financial institutions to enhance portfolio evaluation methodologies in order to accurately compute their Allowance for Loan and Lease Loss (ALLL). In order to help these organizations, Equifax has announced its new solutions for ALLL compliance that can deliver all of the data necessary to help drive a compliant portfolio review process -- optimizing financial statements and mitigating risk.

Equifax's new ALLL solution streamlines the portfolio review process and reduces costs. The solution utilizes Equifax's comprehensive 360 degree view of the junior lien, property, and borrower --enabling lenders to obtain a complete view of the risk or opportunity associated with a given lien or consumer. Flexible data output and delivery options ensure a seamless and efficient portfolio segmentation and evaluation process.

*Source: [Marketwatch](#)*

## INDUSTRY NEWS

### Verisk Analytics to Acquire Aspect Loss Prevention to Enhance Retail Loss Prevention

**Verisk Analytics, Inc.** announced it has signed an agreement to acquire Minneapolis-based **Aspect Loss Prevention**, a leading provider of **loss prevention software and analytic solutions** to the retail, entertainment, and food industries.

Throughout the United States and parts of Europe and Asia, Aspect has saved customers significant amounts of money attributed to internal theft through its state-of-the-art exception-based reporting and analytic techniques. The acquisition will further advance Verisk's position as a leading provider of loss prevention and risk mitigation solutions to the retail industry.

The net purchase price is \$8 million. The transaction is expected to close in June 2012 and is expected to be neutral to adjusted EPS in 2012.

About Aspect Loss Prevention, LLC: Aspect Loss Prevention has saved retailers significant amounts of money attributed to the reduction of internal theft through its state-of-the-art exception-based reporting and analytic tools and techniques. Aspect's software is used throughout the United States as well as in Europe and Asia.

For more information about Aspect, visit [www.aspectlp.com](http://www.aspectlp.com). *Source: Markets.dispatch.com*

### Verisk Analytics, Inc. Q1 Revenues up 10.7% Driven by Decision Analytics

Total revenue increased 10.7%, and excluding the impact of recent acquisitions, total revenue grew 7.7% for first-quarter 2012. Revenue growth in the first quarter was driven by a 16.9% increase in Decision Analytics revenue, with additional contribution from the 3.1% growth in Risk Assessment revenue. Risk Assessment revenue growth excluding the transfer of \$2.9 million of revenue to Decision Analytics in first-quarter 2012 was 5.2%.

EBITDA increased 14.5% to \$159.2 million for first-quarter 2012, with an EBITDA margin of 45.9%.

On March 30, 2012, the company closed the acquisition of MediConnect Global for a total purchase price of \$348 million. The company funded the transaction from cash on hand and debt borrowings as reflected in the March 31, 2012 balance sheet. Income statement contributions from MediConnect will be included beginning in second-quarter 2012.

Within the Decision Analytics segment, revenue grew 16.9% for first-quarter 2012, and organic growth was 9.6% excluding acquisitions and the transfer of property-specific revenue to Decision Analytics as discussed below. Growth in the quarter was driven by strong increases in healthcare and good contributions from our insurance-facing and specialized markets revenue categories.

*Source: [Verisk Analytics Press Release](#)*

*Verisk Analytics provides risk assessment services and decision analytics for professionals by helping to define, measure, and manage risk. Verisk started out in risk measuring services for property/casualty insurance. It is growing rapidly by adding new industry verticals. It now provides data, software, and information services for risk-management functions of firms in all industries.*

## NEWS FROM CHINA

### Baidu To Share Revenue With Apple On China iPhone Deal

**Baidu Inc. (BIDU)** said Apple Inc. (AAPL) will be entitled to a share of advertising sales after the Chinese company's search engine was added as part of a software upgrade for iPhones in China. The revenue-sharing agreement with Apple follows similar accords between Baidu and manufacturers of handsets that use Google Inc. (GOOG)'s Android operating system, Wang Jing, vice president at Beijing-based Baidu, said in a phone interview yesterday. He declined to disclose the commercial terms.

Source: [Bloomberg](#)

### Coface Issues Corporate Credit Risk Study on China

The **Coface study** covers Coface's assessment of China's economic performance, a survey on payment performances of Chinese companies, and an analysis of high risk sectors. There is also advice on credit risk control.

Here are some key points: More Chinese companies are aware of the importance of credit risk management and implement credit management procedures in their operations. Sales on open credit becomes an accepted business practice. Most overdue debts of Chinese companies resulted from fierce competition and difficulties in finding financing resources. Chinese companies are increasingly turning to credit insurance and factoring.

Coface has categorized 48 sectors according to level of risk, with the following identified as high risk:

- Construction Materials and Construction
- Metals and Manufacture of Fabricated Metal Products
- Furniture, Textiles, Clothing and Leather; Paper and Printing
- Transport (Shipping) and Mechanical Engineering (Ship Building)
- Solar Power and Wind Power
- LED

Close monitoring of existing trading counterparts and caution in offering credit terms to new buyers are essential in receivables protection. Monitoring of industry performance is important in credit risk management, particularly for high risk sectors

[To read the full report click on this link](#)

### Sinotrust Market Research: China's Toy Industry Enjoys Huge Market Potential

**BIIA Member Sinotrust**, China's leading market research institution, recently pointed out that the toy industry is a sunrise industry in China after multiple surveys on the kids market. At present, the world's toy market is growing at the average rate of 5% per year. However, compared with the overseas toy market, the domestic toy market lags behind for at least over a decade. Although China is the world's largest toy manufacturer and exporter, the United States is the world's largest consumer market for toys.

[To read the full story click on the link](#)

## CONSUMER CREDIT INFORMATION NEWS

### Alternative Data Repairs Bad Credit, Increases Credit Access

At a briefing on Capitol Hill, the *Policy and Economic Research Council (PERC)* released a report on the consumer credit impacts of including fully reported (timely and late payment data) non-financial payment data (so-called “alternative data”) in consumer credit reports. The study, *A New Pathway to Financial Inclusion*, suggests that despite economic changes, alternative data provides enormous lift to lenders when assessing credit risk. The study compares results with data from 2005/2006 and 2009/2010 credit reports to assess the consumer credit impact of including fully reported alternative data in credit reports. The data was selected to capture the period during which unemployment and late payments spiked.

The study's key findings include:

- Massive material impacts for the financially excluded: Including in this group those who become scoreable when alternative data is added, assuming that not having a score is viewed as very high risk, then 64 percent experience a score tier rise and 1 percent experience a score tier fall.
- Score impacts are stable over time: Comparing the 2005 (pre-Great Recession) results with the 2009 (post-Great Recession), those whose scores improved with the inclusion of alternative payment data increased by 4 percent, those whose scores were unchanged increased by 10 percent and those whose scores lowered declined by 19 percent.
- Credit underserved primary beneficiaries of alternative data: The largest net beneficiaries in terms of improved credit access are lower income Americans, members of minority communities, and younger and elderly Americans. For example those earning less than \$20k annually saw a 21 percent increase in acceptance rates, African-Americans saw a 14 percent increase, those age 18-25 saw a 15 percent increase and those above 66 years of age saw an 11 percent increase.
- Those with past serious delinquencies benefit from alternative data: Consumers with a public record including a bankruptcy and/ or very late payments (90+ days late) among the traditional accounts reported to CRAs, witnessed more score increases than decreases (55 percent versus 30 percent) when alternative data were included in their credit files.

**About PERC:** The Policy and Economic Research Council (PERC) is a non-profit, non-partisan organization devoted to research, public education and outreach on public policy matters. **Source: PERC -- For more information, please contact: Whytney Pickens: [pickens@perc.net](mailto:pickens@perc.net)**

### USA Credit Climate: Consumer Use of Credit Drops

Consumer spending accounts for about 70% of US GDP – so economists watch a number of metrics that give them a hint as to trends affecting consumer spending. The consumer credit report for April was released today and it showed that consumer use of credit grew by 3.1% at an annualized rate – the slowest growth rate since last October. Analysts had expected that consumer credit would grow by \$10.2 billion in the month – and it only hit \$6.51 billion. So, what we are focused on here is that the rate of growth is slowing – a sign that consumers could be spending less. **Source Armada Corporate Intelligence**

**The downturn in consumer use of credit may dampen the expectations of revenue growth in consumer credit information in Q2.**

## NEWS FROM INDIA

### CIBIL Extends Credit Info to Individuals

CIBIL (Credit Information Bureau of India Ltd) which provides credit information to credit guarantors is now extending its services to individuals. CIBIL till recently worked in the B2B segment alone.

When a consumer applies for a home loan, banks enquire at CIBIL to access details on the borrower's credit performance. "If you are able to buy an electronic gadget with just a down payment, it is CIBIL which has ensured one can buy an electronic gadget on credit on-the-spot without hassles," said Arun Thukral, MD, CIBIL.

An individual can buy a credit report for Rs 450, while for companies it costs Rs 2,560. That means individuals and company want their own reports. The Credit Information Companies (Regulation) Act 2005, notified in 2007, has allowed companies like CIBIL to extend the service to individuals.

Earlier, CIBIL was providing these reports only to the banking industry, telcos, stock brokers, credit card companies and industry in general. CIBIL has now been working to educate people on how to interpret credit reports. **Source: Indian Press Reports**

## NEWS FROM AFFILIATED INDUSTRY ASSOCIATIONS

### FEBIS Elects Gertjan Kaart, Managing Director of Graydon Netherlands as President

In conjunction with the election of Gertjan Kaart FEBIS announced a new board composition:

- President: Gertjan Kaart, Graydon
- Vice Presidents: Dr. Dieter Suedhofen, Creditreform and Luis Carmona Gisbert, Informa
- Treasurer: Sven Buckenberger, Hanse Debitoren Management
- Board Members: Angelo Padovani, Experian; Roland Führer, KSV; Roland Sigbladh, UC AB and Deputy Board Member: Dr Selim Seval, Finar

The FEBIS Board thanked retiring president Daniel Morin for his valuable contributions to the objectives of FEBIS and for his dedicated service as Board Member and President for many years. Daniel Morin continues to be an advisor to the Board of Directors of FEBIS **Source: FEBIS**

**BIIA congratulates Gertjan Kaart for his appointment as President of FEBIS.**

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