

July I - 2012 ISSUE

Page 2 5

Late Breaking News:

- BIIA at ACCIS Annual Conference
- BIIA Website traffic reaches a new Milestone
- What happens when the industry as we know it becomes unrecognizable? A special contribution by Anthea Stratigos, co-founder and CEO of Outsell Inc.
- Connotate and Digital Reasoning to mine intelligence from Social Media

Pages 6 8

Member News:

- Graydon 2011 Results Declined by 5.2%
- CRIF: Lenders cautious about prospects for residential mortgage markets
- TransUnion ramps up management power in the Pacific Region
- TransUnion completes acquisition of majority share in CRBAfrica expanding footprint in Africa
- Veda: Credit Bureau Cambodia (CBC) goes operational
- Sinotrust feels the pulse of the 150k-190k Yuan passenger car market
- BIIA at the EASDP Annual Conference at Toledo, Spain

Pages 9 11

Industry News:

- Experian launches new telecommunications customer management service
- LexisNexis® announces worldwide screening solutions for HR professionals
- FICO gets 17 new patents for innovations
- Experian and Moody's Analytics team up to launch the Experian/Moody's Analytics Small Business Credit Index
- The peril of the US Postal Service
- UK Credit Risk Climate: Can cheap money beat the profitability paradox: Or is it a foundation for the next Sub-prime crisis?
- Experian introduces PowerCurve Decision Management Software

Page 12

News from China:

- Labor shortage in China
- Alibaba's Tmall cuts prices, expands product range
- Alibaba delisted from the Hong Kong Stock Exchange

Page 13

Consumer Credit Information

- A new pathway to financial inclusion: Alternative data, credit building and responsible lending in the wake of the great recess (Perc Study)
- TransUnion: Consumers with Mortgage Mods outperform on new loans

From the Regulatory Corner:

- It is time for a privacy health check!

BIIA on LinkedIn now 700 Members strong!

People on the Move:

- TransUnion appoints Angus Choi as Managing Director in Hong Kong
- Experian names commercial director for collections bureau
- Mike Bradford LL.b (Hons) is appointed as BIIA's expert advisor on privacy and regulatory affairs

Page 14

[BIIA Welcomes Debtor Registret Denmark as a New Member](#)

BIIA NEWSLETTER

Market Intelligence - Industry Developments & Trends - Information Technology - Regulatory Issues - User Community

BIIA NEWSLETTER ISSUE 07 I - 2012

LATE BREAKING NEWS

BIIA at the ACCIS 2012 Annual General Assembly Meeting and Conference, Reykjavik, Iceland

BIIA's managing director Joachim C Bartels was a guest at the recent annual conference of ACCIS. The theme of this year's conference was: "The New Landscape for Consumer Credit Reporting after the Crisis".

During two days ACCIS members discussed how the industry has adapted to the new environment, and what impact new regulatory initiatives are having or will have on credit reporting.

The Conference featured interesting presentations from regulators, international institutions as well as the major players of the credit reporting industry. Tony Lythgoe, IFC (World Bank Group) updated members on G20 initiatives on financial inclusion, financial literacy and IFC work on financial infrastructure. [To view this presentation click on the link:](#)

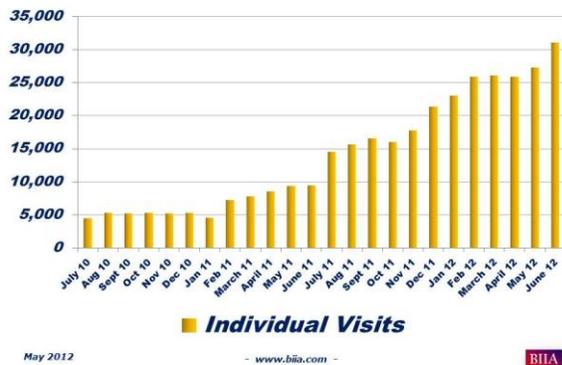


The conference host was the Creditinfo Island. Local volcanos cooperated this time and did not erupt like two years ago forcing the cancellation of the ACCIS conference. Twenty-four hour day light provided ample opportunity to network round the clock.

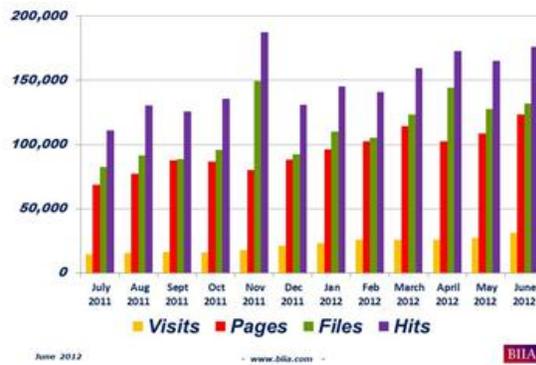
The meeting was originally planned for 2010 however the outbreak of Eyjafjallajökull caused massive air travel disruptions and thus the cancellation of the 2010 ACCIS Annual Meeting. This time Eyjafjallajökull kept quiet.

BIIA Website Traffic Reaches New Milestone

BIIA WEBSITE TRAFFIC



BIIA WEBSITE TRAFFIC



The level of individuals accessing www.bia.com has grown 6 times over a two year period with 31,043 visitors accessing 123,173 pages of information during the month of June. This clearly demonstrates the value of a BIIA membership as well as the value to users of information, regulators and academia. We encourage you to log on at all times as many postings are password protected and are not visible to the general public.

Copyright © BIIA 2012 - For Member Internal Use Only – To Request Permission to Publish Contact: iejcb@attglobal.net
The content of this newsletter does not necessarily reflect the opinion of BIIA and its members. BIIA is not responsible for the use which might be made of the information contained in this Newsletter. Nothing in this Newsletter implies or expresses a warranty of any kind. Neither will BIIA be responsible for any errors. To unsubscribe: Contact iejcb@attglobal.net

LATE BREAKING NEWS

What Happens When the Industry As We Know It Becomes Unrecognizable?

Anthea Stratigos, Co-founder & CEO of Outsell Inc. is sharing her thoughts about the future of our industry with our members. We thank Anthea for this valuable contribution on this highly relevant subject.

Important Details: Each month Outsell analysts span time zones, coverage areas, and industry money flows to jump on a conference call together to compare notes and brainstorm on particular topics.

Prompted by specific client queries, Outsell has recently been thinking about 'the future' - not the remainder of this year or into next, not a typical 3-5 year forecast, but rather the far-out future of 20 years or more. In a recent session to connect the dots between what we at Outsell see NOW and what that means for that distant THEN - we walked the fine line between SciFi and pushing past the limits of today's conventional wisdom, and imagined a world where the following are highly possible:

- The "don't leave home without it" wallet is with us digitally all the time. Mobile devices become our wallet - a surrogate for our credit cards, driver's licenses, medical id, passports, cash - and yes, old photos, receipts, and little notes. Then again, perhaps identity - legal, financial, medical - will leapfrog straight to chip implants, and chips plus retina or fingerprint scans will do it all for us.
- Interface is ephemeral. Text and voice give way to mind to machine, and machine to machine and mind to mind. Touch becomes yesterday's UI, with facial recognition and brainwave reading taking on importance. Some of us mourn the loss of cursive (it is already lost amongst some digital natives) and handwriting of any kind becomes rare.
- Mental outsourcing is the norm. Just as paper and pencil calculations gave way to slide rules and to calculators, we offload more and more rote memory and thinking - and ad hoc learning and quick-hit questions - to machines, a far reaching extension from the work our cell phones, car navigation systems, and web/cloud connects do for us already. More individual data is stored, preserved and accessed as needed, clearing the archive on our own neural networks.
- The supply chain goes DIY. Home appliances, vehicles, farm machines, factory equipment, and everything with embedded chips and connectivity know when they need maintenance or replacement, and order their own services or 'parts' to fix themselves by downloads or by making their own appointments. Today's red warning light becomes tomorrow's "I took care of it" green light.
- Advertising is everywhere and nowhere. In a world where everything can go direct to everything else (device, network, cloud, web, in seemingly infinite flavors of access and security), everyone can do the same - buyer, seller, manufacturer, producer, etc. - in every conceivable combination. As apps and new technology define new buying drivers and cycles, - and as product information, specs, samples, reviews, seamlessly flow in parallel - managing the purchase transaction takes center stage, leaving image and awareness building, lead generation and conversion, in the wings.

Continued on next page

LATE BREAKING NEWS

What Happens When the Industry As We Know It Becomes Unrecognizable?

Continued from previous page

- Watson, version X. Winning at Jeopardy is no small feat, but just the beginning of what machine-driven analytics will do (see Insights, 22 February 2011, Watson's Win Cements the Era of Big Data and Big Analytics). Analytics, in particular predictive analytics, will make machines smarter than people - or more precisely, faster at processing and assessing a universe of data and choices and outcomes. Cars will prevent accidents, computers will monitor and diagnose patient health, legal cases will be arbitrated and settled without a judge or court. Advances in language processing, sentiment analysis, modeling, and analytics will provide machine / computers - and their human companions-- an ability to make better and smarter decisions about just about anything.
- In-sourcing and On-softing. Now machine-designed thinking can locate needed information within digital repositories and in the cloud, and put it into synthesized narrative formats. Contracts, business plans, manufacturing specs, how-to's, medical treatment plans will be generated automatically, giving new meaning to the right information in the right place at the right time. Add to that more directive knowledge work - now insourced to software - doing things faster and cheaper than labor in emerging economies.
- Retro-chic reintroduces print. Yesteryear is back in vogue. From a printed greeting card, to a personal letter, to physical books and magazines- we pay a premium for the cool or ironic flashback, made rarer and more special but becoming the rage, any doubt? Just ask audiophiles who in 2012 have given vinyl a new life.

Implications: The road signs of our future are all around us:

- From the personal (GPS driven pedometers, calorie counters, retina scans in airports, the chipping of pets and prisoners, wearable "glasses" that read us email, and help us navigate, brain scans that now feed decision-support, and billboards that change by virtue of who we are when we walk by).
- To the professional (Narrative Science's creation of business reports from highly localized data stories and enterprise performance data, to DropBox and the storage devices that are proliferating).
- From the absurd ('swizzle sticks' in martini glasses that take pictures of imbibers to upload so others can get a sense of whether this is the hang-out for them.)
- To the "how did we live without this" (smart phones, smart cars, smart energy grids, smart homes/office buildings).

Machines make real data in real time (see report, 19 May 2006, HotTopics:

Real Data, Real Time, Real People: "Wisdom Of One" Fuels Knowledge Funnel [1]), predictive analytics is the rage, and software is at the core of most everything relevant. Physical repositories as we know them shrink and disappear. As technology marches to Moore's Law, our lives and work are on a path to be tracked, measured, matched, analyzed, predicted, forecasted and crunched like never before. ***"I is in our future everywhere as we experience what happens to humanity as iHumans evolve.***

LATE BREAKING NEWS

What Happens When the Industry As We Know It Becomes Unrecognizable?

Continued from previous page

The mile markers that define our industry are changing around us, even as we drive toward destination unknown. The one certainty we do have is that those who think "train" and not "transportation" (or "information" and not "results") will wake up to discover the world in which they've operated is unrecognizable.

Courtesy of Anthea Stratigos, Co-founder & CEO of Outsell Inc. (a Co-founder and Guarantor of BIIA)
www.outsellinc.com Anthea can be reached at: astratigos@outsellinc.com

Links contained in this article:[1]] <http://www.outsellinc.com/store/products/259> target="_blank

Connotate and Digital Reasoning to Mine Intelligence from Social Media

Connotate and Digital Reasoning are less bashful in sourcing data from social media than the Germans appear to be ([as per our news coverage on SCHUFA](#)). Perhaps it may have something to do with the fact that both companies are not in consumer credit information. However this does not mean that they would not entertain a motion in doing so. All it takes is a partnership with someone who owns consumer credit performance data, and a low cost credit product could be in the making.

Connotate's CEO Keith Cooper stated: "This is a ground-breaking partnership which addresses all three primary Big Data challenges: velocity, variety and volume. Connotate and Digital Reasoning's partnership moves Big Data beyond a mere buzzword as we get to see the value the combined technologies enable. Real-time insights are a 'must-have' in the modern intelligence, strategic and competitive landscape and we are at the forefront of delivering them."

Connotate said in its press release that the relentless onslaught of new information generated by the Internet is the primary obstacle in the journey to Big Data success. The fact that social media is human data – data created by humans -- makes it non-specific in nature, complicated and messy. We at BIIA would like to add that any consumer generated data is subject to obfuscation causing a challenge for analytics to determine what is real and what is not.

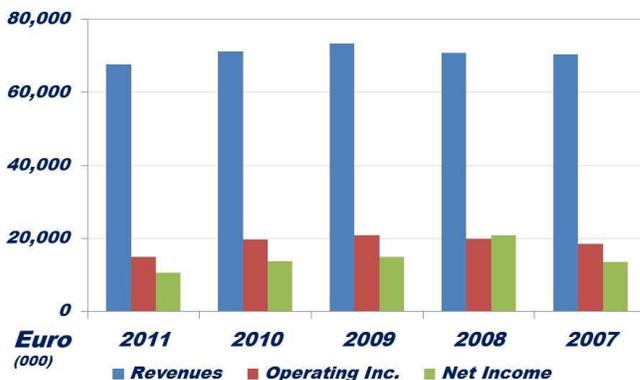
Connotate and Digital Reasoning's partnership would assist companies alleviate these pain points. Connotate's ability to monitor dynamic social media sources, automatically reformat large-scale data into simple formats and deliver them to Digital Reasoning's machine-learning text analytics solution helps government agencies and businesses achieve a deeper understanding of how they are perceived and connected to the world around them. Rather than analyzing all of the world's data, this partnership instead focuses on leveraging only relevant, timely information so that government agencies can accurately link people and organizations to a myriad of related data points, including time and location. This capability is crucial to government agencies as well as enterprises conducting competitive intelligence or internal audits.

BIIA Comment: To put peoples' minds at ease it would be prudent for Connotate and Digital Reasoning to say what the specific interests of governments are in 'digging' into individual relationships and whether it will be to the benefit of such individuals. Source: Connotate Press Release and BIIA commentary

MEMBER NEWS

Graydon 2011 Results Declined by 5.2%

Graydon Annual Results



Source: Graydon Annual Report

BIIA

Graydon's revenues in 2011 were €67.6 million and a net profit of €10.6 million. In the 2011 financial year, the company had an average workforce of 458 FTE.

A difficult year for Graydon:

Strong pressure on credit management activities in the Netherlands and Belgium:

The delayed impact of the 2008/2009 economic recession was not felt in our operations until the fourth quarter of 2010, with particularly sharp falls in revenue and results in the credit management activities. The impact was aggravated in 2011 by the debt crisis in the second half of the year. The business climate weakened further and demand for credit management information

declined as corporate clients sought cost savings.

The Dutch market was hit hardest, on account of the downsizing of contracts in combination with steep price erosion. In the Netherlands, moreover, a commodity player has strengthened its market position and other parties started selling some of the information offered by Graydon. Prices in the market accordingly came under extreme pressure as well as committed value contracts. Belgium, too, faced similar circumstances in the traditional credit management information activities.

Debtor management and debt collection services had a mixed year. In the Netherlands, the market and fees came under pressure. The volume of debt in the market was undermined by the drop in economic activity and businesses gave higher priority to their own cost saving programs than to engaging debt collection services. In Belgium, however, where debt collection is a relatively small activity, there was a slight increase in the activities.

The marketing support service in the Netherlands also suffered a drop in revenue as established clients committed to fewer data purchases. The same problems were seen in the call center activities. Competition was aggravated by overcapacity in the market. In Belgium, by contrast, Graydon again achieved substantial growth.

Growth in Secondment and Training: In the Netherlands the measures taken to position secondment more prominently as a separate dedicated service met with success. Despite the strong competition in a market squeezed by the recession, Graydon successfully achieved a pronounced increase in revenue in this market. In Belgium, Graydon can look back on a good year for training services. Income rose sharply. In the Netherlands, the training concept was refined and is now being applied successfully as a support service tool for the credit management activities. As a result, revenue from this activity was lower. **Source: Graydon Annual Report**

MEMBER NEWS

Lenders Cautious about Prospects for Residential Mortgage Markets

New Efma-CRIF study provides insight into possible impacts of the European Commission's proposal for a directive on credit agreements relating to residential property; reveals significant fragility in residential mortgage market.

CRIF, a global company specializing in the development and management of credit reporting, business information and decision support systems, and **Efma**, the retail financial services community, today published a new study which includes the results of a survey providing insight into the European consumer credit market and estimated impacts of the adoption of the European Commission's proposal for a directive on credit agreements relating to *residential property*. [To read the full story click on the link](#)

TransUnion Ramps up Management Power in the Asia Pacific Region

TransUnion has appointed retail banking veteran Angus Choi as managing director for Hong Kong. Mr. Choi takes over this role from Lawrence Tsong, who had been overseeing the company's Hong Kong operations as part of his role as president of Asia Pacific.

Lawrence Tsong, President Asia Pacific and a director of BIIA, will now be able to fully promote and grow TransUnion's business in other strategic markets throughout the Asia-Pacific region. With growing demand for credit information services, particularly in emerging markets, TransUnion is fast expanding its footprint in the region. In 2010, the company opened offices in Vietnam and Indonesia, and last year launched a private credit bureau in the Philippines. TransUnion now has a presence in 8 markets in the region, including China, India, Singapore and Thailand.

Established in 1982 as Hong Kong's first centralized credit database, TransUnion now maintains records on 4.3 million consumers in Hong Kong and provides both risk management services to businesses and credit reports directly to consumers. **Source:** [TransUnion Press Release](#)

TransUnion Completes Acquisition of Majority Share of CRBAfrica.. - Expanding Foot Print in Africa

TransUnion Corp., South Africa announced the completion of its previously announced purchase of a majority share in CRBAfrica, a credit risk management organization with a presence in eight countries across Africa.

The acquisition significantly expands TransUnion's footprint in Africa. Building on its existing presence in South Africa, Namibia, Botswana, Zimbabwe and Swaziland, TransUnion can now enhance operations in Botswana and extend its footprint into Kenya, Mozambique, Malawi, Rwanda, Tanzania, Uganda and Zambia, bringing a wide range of credit reporting and risk management solutions to these emerging markets. Terms of the transaction were not disclosed.

"TransUnion looks forward to working with CRBAfrica as we continue to accelerate potential economic growth for businesses and consumers within Africa," said Edward Khoury, Group CEO TransUnion Africa. "We will continue to leverage CRBAfrica's experience and relationships within these countries to introduce the many benefits of credit information and what it can bring to the local markets." **Source:** [TransUnion Press Release](#)

MEMBER NEWS

Credit Bureau Cambodia (CBC) Goes Operational – Veda Advantage Technology Provider

The Cambodian Credit Bureau (CCB) was officially launched in Phnom Penh on March 19, 2012. It is a joint venture between Veda Advantage, Australia, the Cambodian Microfinance Association and the Association of Banks in Cambodia. The aim is to centralize loan information from Cambodia's banks and microfinance institutions (MFIs). The bureau expects to benefit borrowers with faster processing times, lower interest rates for those with positive credit histories and protection from over-indebtedness.

The shareholder structure is as follows: Association of Banks 30%, Cambodian Micro Finance Association 10%, ACLEDA Bank 5%, Union Commercial Bank 5%, First Commercial Bank 1%; Veda Advantage 49%. Apart from serving the financial services sector the CBC has announced that credit information is to be used in Cambodia's Telecommunications Sector. *Source: Microcapital.org*

Sinotrust Feels the Pulse of the 150k-190k Yuan Passenger Car Market

At the Automotive Market Video Conference hosted by the China Automobile Dealers Association and jointly organized by Sinotrust, the China Passenger Cars Association and Auto Sohu, Ms. Wang Zhi, Deputy Director of Research & Consulting Department of Sinotrust Automotive Marketing Solutions delivered a keynote speech themed 150k-190k Yuan Market, Next Focus?

To read the full story click on the link: [Sinotrust company news Sinotrust Analyzed the 150k-190k Yuan Passenger Car Market Outlook](#)

BIIA at the EASDP Annual Conference at Toledo, Spain – September 20th, 2012

EASDP and BIIA are teaming up at the EASDP conference in Toledo to discuss “The State of Business Information and the Implications of the BIG Data Phenomena”

As the business information industry emerges from a significant downturn during the credit crunch 'green shoots' of recovery are evident. On the horizon is BIG Data which is being identified as a critical factor in strategic thinking in our industry. The panelists will discuss important aspects of how we should redefine business information, how to get new value out of 'Old Databases', especially extracting value from semi/unstructured data. The role of analytics and workflow and what technologies are available and are they mutually exclusive?

Panelists are:

- Gehan Talwate, Investor – Former CEO of Ascend Aerospace Information;
- Phil Cotter, Consultant – Member of the board of directors of BIIA and BISNODE - Former Managing Director of Experian UK & Ireland
- Jim Stock, Director Central Europe of MarkLogic Corporation

The session will be moderated by Joachim C Bartels - Managing Director of BIIA

There will be a discount for BIIA members. To register contact biainfo@bii.com - For further information consult the [EASPD Website](#)

INDUSTRY NEWS

Experian Launches New Telecommunications Customer Management Service

Experian launched a comprehensive suite of customer management services for telecommunications operators at its International Telecommunications Forum in Rome.

Experian's latest innovation for the telecommunications sector brings together data, software and analytics from across the business to help operators successfully tackle the major challenges they face, from improving acquisition to reducing churn. It is available throughout Europe, the Middle East and Africa.

The new service enables operators to obtain a comprehensive view of each customer relationship to help accurately quantify each customer's current contribution to profitability, potential lifetime value and likelihood to churn.

It also helps operators understand which customers to target with cross-sell and up-sell offers, what to offer and the most appropriate channel to use to communicate it, using Experian's advanced optimization technology. Furthermore, it provides the tools required for operators engage with prospects and customers across a range of digital channels. **Source:** [Experian Press Release](#)

LexisNexis(R) Announces Worldwide Screening Solution for HR Professionals

LexisNexis(R) Risk Solutions announced the availability of a unique global screening solution that provides a one-world view of employment screening that includes the capability to support background checking for more than 225 countries and territories into a seamless, unified service and online interface. With millions of individuals moving to and from different countries every year, more employers are demanding streamlined background checking tools to allow them to easily screen applicants both inside and outside their current country of residence.

Several key advantages differentiate LexisNexis "one-solution worldwide" program from traditional, basic global screening services, including:

- Comprehensive reach into more than 225 countries and territories
- A proprietary, automated "compliance engine"
- Highly scalable access and results delivery

Similarly, employers can save time and streamline hiring by automating data capture for global screening consent forms with the LexisNexis Candidate Data Capture tool.

Some businesses appreciate the sophisticated account management options available through LexisNexis Enterprise Edition, a premier-level online platform for ordering worldwide screening reports, tracking and monitoring account activity and receiving results. LexisNexis also offers customers a secure mobile application for convenient, on-the-go access to their global screening program at any time.

LexisNexis "one-solution worldwide" will be featured throughout the SHRM 2012 Annual Conference and Exposition this week in Atlanta, Ga. For more information, visit <http://www.lexisnexis.com/globalscreening>.

Source: Marketwatch.com

INDUSTRY NEWS

FICO Gets 17 New Patents For Innovations

FICO announced that its Labs team members received 17 new patents from the U.S. Patent and Trademark Office for innovations in predictive analytics, credit scoring and fraud detection.

Seven of the new patents are for inventions in predictive analytics, such as: better assessing risk using predictive models that characterize cross-interactions among both categorical and non-categorical input variables; and adding new data transaction profile variables to pre-existing models. The inventions in predictive analytics also include characterizing risk associated with consolidated debt on a secured instrument; more comprehensive data mining; analyzing insurance claims to detect revenue leakage and over-billing; and creating a new real-time system for event probability prediction. Two of the 17 new patents are for inventions related to the FICO Score, the standard measure of consumer credit risk in the United States. One invention models the impact of future actions on subsequent creditworthiness that was used to develop the FICO Credit Capacity Index, which helps lenders determine a consumer's ability to take on additional debt.

The second invention in the FICO Score area identifies how making various hypothetical changes to a consumer's credit behavior will affect their FICO Scores. This feature has been integrated into the "www.myFICO.com" site to help consumers better understand their credit health.

Eight of the patents cover enhancements used by FICO's industry-leading fraud solutions, including: detecting new forms of fraud, and doing so with less dependency on historical data; updating existing fraud models; identifying fraudulent online transactions over public networks; ensuring security of payment cards; and using transaction data to identify deviations from frequent spending behaviors that could signal fraudulent activity.

In an environment of increasingly sophisticated fraud methods, many of these patented methodologies are already embedded in FICO Falcon Fraud Manager, which protects more than 2 billion payment cards worldwide. Fair Isaac now holds 122 U.S. and foreign patents, and has 98 patent applications pending in the United States and other countries. *Source: Istockanalyst.com*

Experian and Moody's Analytics Team up to Launch the Experian/Moody's Analytics Small Business Credit Index

Experian®, announced that it has joined forces with Moody's Analytics to create a business index and detailed report that provides insight into the health of U.S. businesses. The new Experian/Moody's Analytics Small Business Credit Index will be reported quarterly to show fluctuations in the market and discuss factors that are impacting the business economy.

The Experian/Moody's Analytics Small Business Credit Index tracks how businesses are faring over a period of time compared with a base point, with the first quarter of 2011 being equal to 100. The key factors that comprise the index are commercial credit data (including growth of credit balances and delinquency rates measured on a dollar basis) combined with a variety of macroeconomic data (including growth rates for employment, income, retail sales, investment, output and industrial production). *We posted the story on:*

<http://www.biaa.com/category/company/experian> (you need to log on)

INDUSTRY NEWS

The Perils of the US Postal Service (USPS)

What will happen to the cash strapped US Postal Service?

"All Quiet on the Western Front"? Armada Corporate Intelligence wonder where the headlines are for the USPS and Congress as it debates what will happen to the US Postal Service. Earlier this month, the USPS said that it would offer employees \$15,000 dollars in two installments if they would take early retirement or leave their positions at the postal services altogether. The offer applies to about 45,000 employees. In addition, closing processing facilities will likely cut about 28,000 jobs across about 200 facilities. And at the same time, a plan to streamline the rural postal units will create a move to offer buyouts to more than 21,000 postmasters of those rural units. Congress had pleaded (in written letters) with the USPS Postmaster General to slow his plans of action until Congress could weigh-in on the situation. Once again, due to the slow progress of Congress, the USPS is facing a cash crisis situation that will develop toward the end of summer and it must do something to act. Before 2015, the USPS must find cuts that total about 150,000 jobs to remain solvent.

Armada Corporate Intelligence don't know how many of these employees will actually take a \$15,000 offer and retire or quit their jobs. Certainly, the USPS has done its homework and knows that it can set the buyout at about that rate before moving to a more aggressive move that would include unemployment payments. Many of these employees may see the writing on the wall and accept the buyout because the alternative looks much worse.

Courtesy Dr. Chris Kuehl, BIIA Ex-officio board member; Armada Corporate Intelligence

UK Credit Risk Climate: Can Cheap Money Beat the Profitability Paradox? Or Is It a Foundation for the Next Sub-Prime Crisis?

The big financial news in the UK today is that the Bank of England will give around £80 billion to UK banks at below-market rates, for them to lend to consumers and businesses. The government expects this "funding for lending" scheme to expand lending, thereby stimulating the economy and helping to lead the UK out of its current recession (or, as the government puts it, "the present period of heightened uncertainty"). It will be interesting to see the banks' response, since the risk of the new loans stays with them, not the government, and most of the businesses who need financial help are in difficulties. [To read the full story click on the link](#) *Source: FICO Banking Analytics Blog*

Experian Introduces PowerCurve Decision Management Software

Experian announced availability of its new **PowerCurve decision management software portfolio**, which helps organizations to manage and grow their business by improving the way they use information to make decisions about their customers.

As a flexible decision management technology platform, PowerCurve offers a unified set of component-based software products that make the process of creating, implementing and improving customer decisions simpler, more efficient and more user-friendly. The first two PowerCurve software products — PowerCurve Strategy Management and PowerCurve Customer Management — are available now. *Source: [Experian](#)*

NEWS FROM CHINA

Labor Shortage in China

These are words that nobody ever expected to hear in the context of a nation that possesses over 1.4 billion people; but the mere fact that one has a lot of people does not mean that they are all ready to fill the nation's economic needs. The Chinese have been losing their competitive edge as a low cost producer for some time as other Asian states move to emulate what China has done over the years.

Now the low cost manufacturers are more attracted to Indonesia or the Philippines or India and China has been forced to compete at a higher level. This is not new in Asia, it is the same path that has been followed by the Japanese and the Koreans in the past. The problem is that China does not have the pipeline it needs to find the people it needs to hire. The issue is not so much one of technical expertise but one of management talent.

China is woefully short of those who understand management or marketing and even finance and accounting. The search for the appropriate person has been driving wages up and has resulted in the hiring of more and more expatriates. It also led to a relatively high turnover rate in management positions. Companies cannot hold on to trained staff as they are constantly outbid by others.

Getting and keeping the right people will also mean more pressure on wage inflation. As China seeks to fill these posts there will be cultural challenges as well. For now the technical skill gap is manageable but that is starting to become an issue too as the educational system has been unable to keep pace. *Courtesy Dr. Chris Kuehl, BIIA Ex-officio board member, Armada Corporate Intelligence.*

Alibaba's Tmall Cuts Prices, Expands Product Range

Chinese ecommerce giant, the Alibaba Group, unveiled a series of plans to diversify and boost sales on its B2C platform Tmall. In a bid to attract more customers, Alibaba aims to reduce the price of goods sold on Tmall by subsidizing vendors to the tune of US\$47 million. The goods targeted will mainly be sold in the electronics category, where vendors can reportedly apply to Tmall for subsidies to reduce the price of goods sold or a rebate could be paid directly to consumers by Alibaba.

Separately, Alibaba will also further expand its business portfolio by entering the online book-selling market. Also on the Tmall platform, Alibaba will offer more than 1.3 million titles including reference books, novels, and business-related books. This offering will be in direct competition with established players in China such as 360Buy.com, Dangdang and Amazon China. *Source: Business Strategies Group Hong Kong*

Alibaba delisted from Hong Kong Stock Exchange

Alibaba.com, the B2B arm of e-commerce company, Alibaba Group, was formally delisted from the Hong Kong Stock Exchange after an agreement was reached at a shareholders' meeting in May. Alibaba will pay US\$2.45 billion, or US\$1.74 per share (HK\$13.50), for the 27% stake held by public minority shareholders of Alibaba.com.

Alibaba.com's revenue has more than doubled from US\$471 million (RMB 3 billion) to US\$1 billion (RMB 6.4 billion) between 2008 and 2011. Profit attributable to shareholders during this period grew from US\$189 million (RMB 1.2 billion) to US\$267 million (RMB 1.7 billion), while the number of paying members were up from 432,000 to more than 765,000. *Source: Business Strategies Group, Hong Kong*

CONSUMER CREDIT INFORMATION

A New Pathway to Financial Inclusion: Alternative Data, Credit Building, and Responsible Lending in the Wake of the Great Recession

This **PERC 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.

Authors: Michael A. Turner, Ph.D., Robin Varghese, Ph.D., Patrick Walker, M.A., Sukanya Chaudhuri, PhD.

[To download the report click on the link](#)

TransUnion: Consumers With Mortgage Mods Outperform Those Without on New Loans, Despite 60% of Mods Going Delinquent Within 18 Months

TransUnion Mortgage Loan Modification Study Infographic CHICAGO, IL--(Marketwire - Jun 21, 2012) - A new TransUnion study has found that consumers who received mortgage modifications outperformed those who did not on new consumer loans that were opened after their initial mortgage delinquency. This improved performance occurred despite the fact that nearly 6 in 10 mortgage modifications went 60 or more days delinquent 18 months following the modification date.

The study further re-affirmed that consumers who defaulted only on their mortgages are better risks than consumers with multiple delinquencies -- even when controlling for credit score -- as first published in TransUnion's Life After Foreclosure study in 2011. **Source:** [TransUnion Press Release](#)

FROM THE REGULATORY CORNER

It is Time for a Privacy Health-check

At a time of potential new EU data protection regulations - as well as the ever-shifting sand and challenges faced by our members at country level and emanating from the EU Commission or other cross-geography regulators --

BIIA's expert advisor on global privacy and data protection, Mike Bradford, offers his perspective on what we could be doing to give ourselves a privacy 'health-check' - and at the same time ensure we are seen by our stakeholders as being responsible and trusted custodians of data.

[To read the full story click on the link: http://www.biaa.com/it-is-time-for-a-privacy-health-check](http://www.biaa.com/it-is-time-for-a-privacy-health-check)

BIIA ON LINKEDIN NOW 700 Members Strong

Growing day by day! The [BIIA – Business Information Industry Association Network on LinkedIn](#) has grown to 700 members! We recommend you follow the discussions. Some of the comments concerning synthetic credit reports and freshly investigated credit reports are quite revealing.

PEOPLE ON THE MOVE

TransUnion Appoints Angus Choi as Managing Director in Hong Kong

TransUnion has appointed retail banking veteran Angus Choi as managing director for Hong Kong. Mr. Choi takes over this role from Lawrence Tsong, who had been overseeing the company's Hong Kong operations as part of his role as president of Asia Pacific. He will report directly to Mr. Tsong. In this new role, Mr. Choi will be responsible for managing day-to-day operations and growing the company's credit reporting, and analytics and decisioning business in Hong Kong.

Born in Taiwan and educated in Hong Kong, Mr. Choi is a graduate in Business Management and also holds an Executive Master of Business Administration degree from Southern Illinois University in the U.S.

Source: [TransUnion Press Release](#)

Experian Names Commercial Director for Collections Bureau and National Property Database

Experian®, announced the appointment of Paul Rout as Commercial Director, Collections Bureau and National Property Database, Experian United Kingdom and Ireland. Paul Rout will be responsible for the development and overall strategic direction of Experian's Collections Bureau, a new service which will be launched later this year with the aim of improving data accuracy in the collections marketplace.

Paul Rout's primary expertise is focused on Strategic and Operational Marketing, Credit Risk and Customer Relationship Management, gained in a variety of industry and consulting roles, including Bank of Scotland, AMP, Accenture and PA Consulting Group. Source: [Experian Press Release](#)

Mike Bradford LL.B (Hons) is appointed as BIIA's Expert Advisor on Privacy and Regulatory Affairs

BIIA welcomes Mike Bradford LL.B (Hons) FCIB as its expert in UK and international regulatory and consumer affairs, compliance and data protection.

Prior to founding Regulatory Strategies in May 2009, he was UK and EMEA Director of Regulatory and Consumer Affairs at Experian, where he was responsible for regulatory compliance and driving the optimal and compliant uses and applications of data and information assets in product and solutions design and development in respect of credit bureau, marketing and value added services.

For details click on the link: <http://www.regulatorystrategies.co.uk/>

To read Mike's latest contributions go to: <http://www.bia.com/category/regulatory-news>

Business Information Industry Association Asia Pacific – Middle East Ltd.

1101 Wilson House, 19-27 Wyndham Street, Central, Hong Kong

Telephone: +852 2525 6120; Fax: +852 2525 6171; E-mail: biainfo@bia.com Home Page: www.bia.com

Certificate of Incorporation: 979425