BIIA NEWSLETTER

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

BIIA NEWSLETTER ISSUE 06 - 2008

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EVENTS

SIIA Global Information Industry Summit

- Navigate the Global Information Marketplace
- Address Global Industry Trends, Identify New Market Opportunities & Share Best Practices.

Venue: Royal Garden Hotel, London, United Kingdom

To register and for complete conference details: www.siia.net/giis

BIIA WELCOMES TENDERSINFO – EUCLID INFOTECH

TendersInfo joined BIIA as an associate member in June. Tendersinfo is the brand owned by Euclid Infotech Pvt. Ltd. and maintains the largest and most comprehensive database of International Tenders, Projects, RFP's, Contracts from Multilateral Funding Agencies, Federal, State, County Government, Utilities Sector, Hospitals, Schools, Ports, NGO's, Defense Forces etc. Euclid Infotech is a Private Limited Company with a strong customer base across the globe.

Tendersinfo is the leading and the most comprehensive one stop source for Biz Opportunities. It was founded in 2000 and has over 5000 clients located across the globe. It maintains a network of business associates covering over 50 countries collecting information from over 200 countries. Its database currently contains 25000+ live projects involving over 100 funding agencies, 150+ research and project consultants.

For further details contact: Mr. Varun Khushan, Manager - International Business Development
varun.k@tendersinfo.com; Tel: +91 22 66023802; http://www.TendersInfo.com/

BIIA INDUSTRY DIRECTORY POWERED BY WAND: http://www.wand.com/biia/

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BIIA NEWSLETTER ISSUE 06 - 08

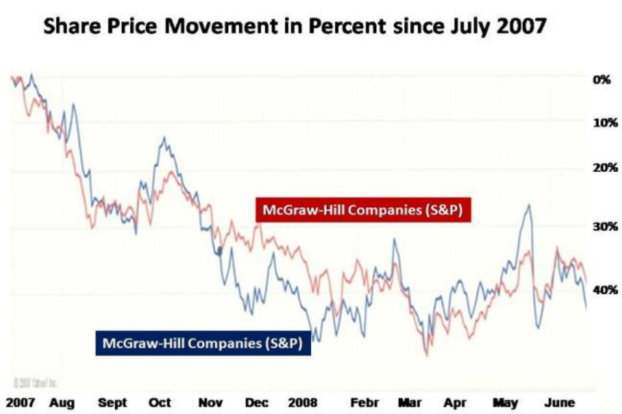
CRISIS IN CONFIDENCE AND VALUE DESTRUCTION

THE (GROWTH) PARTY IS OVER – AT LEAST FOR THE TIME BEING!

Time flies! It is hard to believe that the credit crunch is now one year old and the effects on the financial system and information services are still with us. When the credit crunch started to bite the 'growth party' in credit and financial information services was in full swing. Industry leaders showed impressive revenue growth as a result of major acquisitions, geographic expansion and product development. The last quarter of 2007 and the first quarter of 2008 however revealed a different story. **The implications of these developments will be covered in the July 2008 Newsletter.**

Value Destruction:

For those who are 'married' to the financial services industry as a source of major revenues, the rude awakening came in the second half of 2007. Rating agencies revenues took a beating, the same applied to consumer credit information companies. Investors took flight initiating a value destruction not seen for a decade as reflected by the charts on the left. Based on the news from the financial services sector, the financial markets and the first quarter results of information company industry leaders do not expect any short term improvements.



Culprits or Victims:

Currently the rating agencies are bearing the brunt of the blame and at the same time the financial consequences. In particularly in Europe where decade-old resentments against the Anglo-Saxon rating agencies are now spilling over into the realm of the surreal. Based on the current hype it is possible that the business of credit ratings may not be the same in the foreseeable future due to new regulations. Rating industry members have to make a huge effort to overcome this crisis in confidence.

CRISIS IN CONFIDENCE AND VALUE DESTRUCTION

THE (GROWTH) PARTY IS OVER … … (continued)

Culprits or Victims:

Peer Stein of the International Finance Corporation (IFC-World Bank Group) raised a number of interesting questions at the recent European Consumer Credit Information Association (ACCIS) annual meeting. He examined the role credit bureaus played in the subprime crisis, but failed in to get off the proverbial fence:

Did credit bureaus fail? His answer was a yes and a no:

- **"Yes:** Even the most sophisticated credit bureau systems are perfect. FICO scores (which were subject to a good dose of criticism) are not designed for subprime markets. Existing models not updated in timely manner to reflect evolving lending trends. Subprime applicants could be described as "thin file clients"

- **"No:** Credit bureaus and related tools are only as good as prevailing lending practices. There were lax underwriting practices based on credit scores alone. To some extent irregularities such as 'credit doctoring'. Securitization and derivative transactions mask underlying risk"

According to comments from the floor, it was inappropriate to lay the blame on the credit information industry and rating agencies alone. The whole system was flawed:

- Incentives paid up-front
- Lax due diligence and misuse of information
- Luring subprime borrowers into commitments they could not fulfill,
- Flawed rating models
- No adequate risk monitoring – financial instruments were disconnected from the source of the risk and 'blind' investors who chose to ignore risk.

The crisis should be taken as an opportunity for rating agencies and information companies to work together to provide effective monitoring and appropriate risk assessment tools as a basis for rating models. The respective industry association should be taking a leading role in this effort.

What measures can credit bureaus take?

- "Enable better risk assessment through stronger models, mover coverage and inclusion of thin-file clients and ensuring data quality and accuracy." The crisis is a clear signal for credit bureaus to include more non-traditional forms of data." More financial education and financial literacy.

The audience concurred. As a matter of fact the industry has begun to introduce programs to educate the public.

Should credit bureaus promote responsible lending?

This question drew a strong response from a representative from financial institutions. The representative clearly stated that responsible lending was a matter of the financial services industry to deal with. It was not a role the credit bureaus should assume.

LATE BREAKING NEWS – B2B INFORMATION & CREDIT RATING SERVICES

US IDENTITY FRAUD $ 45.3 BN IN 2007 – BUT DECLINING

Identity theft remains a major problem with losses totaling US$ 45.3 billion. However losses appear to be declining according to a study by Javelin Strategy & Research. Overall losses declined by 11% from US$ 51 bn in 2006. Average loss of US$ 5,574 fell by 6% down from US$ 5,920 as retailers and banks are beefing up their in-store and online security systems. Nevertheless still 8.4 million Americans (one in every 28) learned that criminals had committed fraud with their credit cards or social security numbers. The largest data theft reported in 2007 involved 45.7 million records of credit and debit cards. ***Source: Reuters***

CONSUMER CREDIT INFORMATION ISSUES IN THE USA

Stuart Pratt, President of CDIA presented and discussed various issues of credit bureaus in a mature market such as the US at the recent annual meeting of ACCIS (European Association of Consumer Credit Bureaus). Here are his comments:

- 250 million consumers have access to the choice to freeze their credit report, however only approximately 100,000 have done so
- There is pressure to prohibit all fees for consumers having access to their credit reports
- Some lenders indicate that FICO scores are less important and speaking of "…score inflation…". Some critics suggest that credit histories are not sufficiently complete to create accurate credit scores
- Alternative Data Sources are seen to become highly relevant in achieving a greater degree of risk predictions: Studies funded by CDIA and industry show that alternative data sources can be predictive of ability and willingness to pay (Brookings/PERC). Payment data sources include rent payments, utility payments, telecom (cellular) payments
- Accuracy & Reinvestigations are extremely important to consumers: More than 160 million disclosures to consumers were made over a two-year period ('04-'06). Trending remains strong. 70 percent of disputes are resolved in 10 days, but consumers aren't satisfied if they miss out on a deal
- The Federal Trade Commission is again studying accuracy of data and will release a report on a methodology later this year
- Data security is a critical issue and is closely linked to consumer level of confidence concerning identity theft

Pratt reiterated that consumers are exceedingly conscious of the fact that data security and identity theft are intertwined. Therefore, data security is the most pressing issue for the consumer information industry today. To view Stuart Pratt's presentation please go to member news: ***http://www.biia.com/memberNewsPW.php***

BIIA attended the ACCIS Annual Meeting. BIIA believes these issues are not unique to the USA market and are relevant to all markets for consumer credit information services.

LATE BREAKING NEWS – B2B INFORMATION & CREDIT RATING SERVICES

EXPERIAN BUILDS DATA CENTER FORTRESS

As Stuart Pratt, President of CDIA stated in his presentation at the ACCIS annual meeting, security and business continuity have become the single biggest concerns, and the ability to deal with almost any kind of threat is a near obsession. BIIA received through iCopyright Clip&Copy [support@icopyright.com] article concerning Experian's compassion in building a data center fortress. http://www.biia.com/memberNewsPW.php. The article accentuates the importance of data security for the consumer credit information industry.

ICRA REPORTS STRONG GROWTH IN FISCAL YEAR ENDING MARCH 2008

No credit crunch blues at ICRA rating services. ICRA Group, India reported a 40% growth in consolidated revenues for the financial year ending March 31st, 2008. Total revenues were Rs 1,073 million against Rs 766 million in the previous fiscal year. Income after tax rose 43% to Rs 285 million versus Rs 200 million for the prior fiscal year period.

ICRA's rating services reported revenues of Rs 603 million versus Rs 389 million for the prior fiscal year period reflecting a growth of 65%. This growth is attributable to the increase in revenues from all business segments: Corporate, Financial and Public Finance. Basel II related Rating contributed significantly to the growth in the Corporate Ratings business.

ICRA is an affiliate of Moody's and a member of BIIA. ***Source: ICRA Press Release***

ICTEAS INDIA ACQUIRES AXIOM TECHNOLOGIES PRIVATE LIMITED

ICRA Techno Analytics Limited (ICTEAS) has acquired Axiom Technologies Private Limited (Axiom), a Kolkata-based software services company. Axiom specializes in customization and implementation of popular Enterprise Resource Planning (ERP) packages, and has a highly experienced team that has been working on ERP implementation for the past 10 years or so. Axiom's list of customers includes a number of large Indian enterprises.

ICTEAS is a wholly-owned subsidiary of ICRA Limited, one of the leading Rating Agencies in India, and has a wholly-owned subsidiary ICRA Techno Analytics, Inc., in New Jersey, USA.

Axiom Technologies Axiom is a software consulting company. Axiom strives to develop the best possible information technology solution using the most appropriate technology and with a team of fully dedicated software professionals. We take absolute pride in being totally customer focused and exceeding expectations through superior service. Axiom is located in Kolkata, India and Woodland Hills, California.

Source: ICRA Press Release 2008/06/19

LATE BREAKING NEWS – B2B INFORMATION & CREDIT RATING SERVICES

CREDIT CRUNCH: BANKS IN ASIA SINGED BUT NOT BURNT SAYS CRISIL

Based on an assessment by CRISIL (Standard & Poor's partner in India) indicates that most Asian financial institutions, and global institutions with dominant exposures in Asia, remain relatively unaffected by the current global credit crisis. The institutions were shielded by their asset mix, which primarily consists of Asian credit and related assets. Their aggregated exposure to US mortgage-backed assets is, in contrast, much smaller.

The highest write-down reported so far by any Asian financial institution is US$ 5.4 billion (Mizuho Financial Group). The total write-downs by Asian institutions are less than 6% of the worldwide total. Major US and European financial institutions have, on the other hand, reported much larger losses, with the five worst affected players contributing more than 40% of the total write-downs and credit losses so far. CRISIL stated that the total write-downs and credit losses worldwide are estimated to be US$ 300 billion. ***Source: CRISIL PR 2008/05/08***

AUSTRALIA'S ECONOMY WOULD BENEFIT FROM CREDIT REFORM SAYS REPORT FROM VEDA ADVANTAGE

Much needed reform of the Australian credit reporting system could boost the Australian economy by $1.7bn, help lower interest rates, and lower default rates, according to a report by Access Economics, commissioned by Veda Advantage and released today. To read the full report click on the link below.

http://www.vedaadvantage.com/latest_news/access-economics-report.aspx

EQUIFAX AND FAIR ISAAC ESTABLISH PARTNERSHIP

Equifax Inc. (NYSE: **EFX**) and Fair Isaac Corp. (NYSE: **FIC**) announced that they have established a partnership to develop and sell advanced analytics and scoring solutions for businesses and consumers. Under the agreement, the two companies will leverage Equifax's consumer credit data and Fair Isaac's scoring technology, and will jointly market and sell new FICO® analytic products. The companies are also working together to accelerate testing and roll-out of the FICO 08 model for Equifax customers. Separately, Fair Isaac has agreed to dismiss Equifax as a defendant in its lawsuit against VantageScore LLC and the three national credit reporting companies. ***Source: Company Press Releases – for full text see page 17***

BIIA reported in its May 2008 Newsletter that CEO Dr. Mark Greene had voiced his desire to repair the relationship with the credit bureau industry. He made this statement in an April meeting with analysts and, notwithstanding their skepticism, he appeared to be very confident about potential success. It is surprising that Equifax, in spite of having invested in credit scoring and VantageScore, has still room for this kind of partnership. It will be interesting to note whether other credit bureaus will follow suit.

LATE BREAKING NEWS – B2B DIGITAL MEDIA

INTERNET USERS IN ASIA, RANKED BY PENETRATION

		Population (mn)	Internet Users (mn)	Penetration
1	New Zealand	4.17	3.20	76.7%
2	Australia	20.60	15.50	75.3%
3	South Korea	49.23	34.91	70.9%
4	Hong Kong	7.02	4.88	69.5%
5	Japan	127.29	87.54	68.8%
6	Taiwan	22.92	15.40	67.2%
7	Malaysia	25.27	14.90	59.0%
8	Singapore	4.61	2.42	52.6%
9	Macau	0.46	0.22	47.0%
10	Brunei	0.38	0.18	46.2%
11	Vietnam	86.12	18.23	21.2%
12	China	1,330.04	210.00	15.8%
13	Philippines	92.68	14.00	15.1%
14	Thailand	65.49	8.47	12.9%
15	Mongolia	3.00	0.31	10.3%
16	Indonesia	237.51	20.00	8.4%
17	Pakistan	167.76	12.00	7.2%
18	Maldives	0.38	0.02	5.3%
19	India	1,148.00	60.00	5.2%
20	Bhutan	0.68	0.03	4.4%
21	Sri Lanka	21.13	0.43	2.0%
22	Nepal	29.52	0.32	1.1%
23	Burma	47.76	0.30	0.6%
24	Laos	6.68	0.03	0.4%
25	Cambodia	14.24	0.04	0.3%
26	Bangladesh	153.55	0.45	0.3%
	Total	**3,666.50**	**523.77**	**14.3%**

Asia Pacific reaches 529 million Internet users!

According to **Internet World Statistics**, the number of Internet users in Asia has reached nearly 530 million people.

That represents 14% of the 3.8 billion people living in Asia. Internet users in Asia now account for 37% of all Internet users worldwide. Asia is home to the largest number of Internet users, followed by Europe with 382 million - or 27% of all Internet users.

As of March 2008, Asia's Internet penetration rate was 14%. That is well below the global average of 21%. According to Internet World Stats, the total number of Internet users worldwide now stands at 1.4 billion people.

According to BSG's analysis, Japan has 87.5 million Internet users – the second largest Internet population behind China's 210 million. Internet penetration in Japan continues to be strong at 68.8% which is the fifth highest in the region behind New Zealand, Australia, South Korea and Hong Kong.

Source: Japan Roundup Report by BSG Hong Kong – www.bsgasia.com

LATE BREAKING NEWS – B2B DIGITAL MEDIA

UNITED MEDIA – INFORMA MERGER TALKS BROKEN OFF

A private equity consortium (Providence Equity Partners Ltd. and Carlyle Group) is said to have approached Informa PLC's board with a cash proposal, after merger discussions between Informa PLC and United Business Media PLC. had been broken off. Informa's current capitalization is approximately Pound Sterling 1.9 billion.

Informa, which owns Datamonitor, had 2007 revenues of 1,129 million Pounds Sterling. Revenue breakdown: 15% originated from the UK, from Continental Europe 29%, from North America 37% and from ROW 19%. United Business Media 2007 revenues were 891 million Pounds Sterling; 23.4% originated from the UK; 45.6% from North America; 16.1% from Europe and 15% from Asia and ROW. ***Source: Company Press Releases and Annual Reports***

Chuck Richard, Vice President & Lead Analyst of Outsell Inc. had commented in a recent Outsell Insight: "In a very radical shift in style, UBM broke a three year trend of making small acquisitions (52 since 2005 averaging $15 million each) and confirmed it is looking at a mega-deal for larger player Informa. We see more benefit to users from continuing the old strategy, and are skeptical of the outcome of this type of mega-merger." ***http://www.outsellinc.com***

REUTERS AND TIME OF INDIA ENDED RELATIONSHIP

Reuters and Time of India owners Bennett, Coleman & Co Ltd have ended their 3 year old JV. Times Global Broadcasting owns and operates the English news channel Times Now. Local media reports suggest that Reuters is looking for a new partner for India broadcast activities. ***Source: BSG www.bsgasia.com***

LEXISNEXIS BUTTERWORTHS INDIA MERGES WITH WADHWA NAGPUR

LexisNexis announced the merger of Wadhwa Nagpur, one of India's providers of legal publishing information, with LexisNexis Butterworths India. The combined company, headquartered in New Delhi, will be the leader of legal information solutions in India. The merger reinforces LexisNexis' commitment to the India market and bolsters the company's ability to take advantage of additional market growth drivers, including digitization of courts, the rapidly growing legal profession and the increasing demand for information solutions.

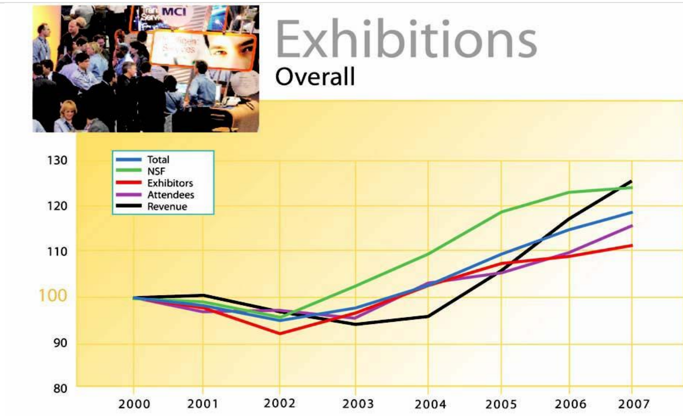
LexisNexis Butterworths India is recognized in India as a premier legal publisher and solutions provider, offering products such as Halsbury's Laws of India and Mulla series which are widely used and respected in the legal community. Wadhwa Nagpur offers a number of products in the field of legal, tax and regulatory (LTR) treatises such as: Ramaiya's Guide to the Companies Act, Tannan Banking Law & Practice in India, Chaturvedi & Pithisaria on Income Tax Law and Ratanlal & Dhirajlal series on The Indian Penal Code.

Source: LexisNexis Press Release

LATE BREAKING NEWS – B2B DIGITAL MEDIA – INDUSTRY TRADE SHOWS

MAGAZINE REVENUES DECLINE – B2B TRADE SHOWS CONTINUE TO GROW

For the comparable period of time, first quarter 2008, magazine revenues experienced a 5.3% decline. But while overall magazine revenue declined, five of the 21 BIN categories continued to experience growth. Digital revenues also continued to grow. Despite these recessionary times, industry trade shows continue to show modest growth with first quarter revenues increasing from $2.94 billion to $2.98 billion; up 1.5%. ***Source:*** ***www.americanbusinessmedia.com***



CEIR Report: Growth in the exhibition industry continued in 2007 at a rate of 3.2% over 2006 levels according to the *CEIR Index*. This compares favorably when matched against the 2.2% growth rate for real U.S. Gross Domestic Product (GDP) year-over-year. However, the rate of growth for the exhibition industry slowed in 2007 as compared to growth rates of 5.3%, 5.8% and 4.8% in 2004, 2005 and 2006 respectively. The first three quarters of 2007 saw positive growth for the overall exhibition industry of 3.5%, over the first three quarters of 2006. However, the exhibition industry softened a bit in the fourth quarter of 2007, declining 1.9% versus 2006 levels. Three of the four key industry metrics decreased during the period, including NSF (-3.0%), Exhibitors (-3.6%), and Revenue (-1.6%). Attendance, however, grew nearly 1% in the fourth quarter.

Of the 11 industry sectors measured by the *CEIR Index*, all except the Building and Construction sector grew in 2007. The Government sector led industry growth with a 12.6% gain for the year. The two charts included in this chapter show a ranking of sector performance on a CAGR (compound annual growth rate) basis from 2000 to 2007 and on a year-over-year basis of 2007 versus 2006. To read the full story access: ***http://www.jegi.com/files/docs/2008CEIRIndexReport.pdf***

2007 Top 5 Industry Sectors, b2b Exhibitions: Business is booming for b2b exhibitions. An impressive 60 million people attended nearly 10,000 events in 2007, generating $11.2 billion in revenue, according to CEIR.

Industry Sector	# of Events	% of Total
Medical and Health Care	2,340	23.4%
Professional Business Services	1,440	14.4%
Communications and Information Technology	1,270	12.7%
Government, Public and Nonprofit Services	1,190	11.9%
Sports, Travel, Entertainment Art and Consumer Services	920	9.2%

PEOPLE ON THE MOVE

BIIA MEMBERS ELECTED TO THE SIIA CONTENT BOARD

The Software & Information Industry Association (SIIA), the principal trade association for the software and digital content industry in the USA, announced the new members of its Content Division Board of Directors: Two executives of BIIA member companies have been elected to serve on the 12 member SIIA content board:

- Daniel Duncan, Director - Government Affairs, The McGraw-Hill Companies
- Kate Worlock, Director - Market Intelligence Service, Outsell Inc.

BIIA congratulates both executives for this outstanding recognition of their service to the content industry. ***Source: www.siia.net***

RESHUFFLE AT XINHUA

As reported briefly in the May issue XINHUA FINANCE has announced the promotion of president Jae Lie to CEO. Mr. Lie has been with Xinhua Finance since 2000 and has been a director of the company since 2004.

Needless to say there was much discussion in the press about the significance of Fredy Bush's decision to step aside as CEO of Xinhua Finance in favour of Jae Lie (both pictured below). ***According to Reuters***, the company will focus on its "aims to divest non-core assets and focus on its main China market as it tries to boost a share price, which is off almost 60 percent this year". It notes that, as well as the CEO change; the company "launched a consent solicitation on $100 million of 10 percent senior guaranteed notes due 2011. The move is aimed at providing it with flexibility to dispose of some non-core businesses, including communications and investor relations firm Taylor Rafferty". Fredy Bush will step up to the role of Vice Chair of Tokyo-listed XFL while retaining the CEO position at NASDAQ-listed subsidiary Xinhua Finance Media which she seems intent on building up into a stand-alone China media business. ***Source: Paul Woodward, BSG Hong Kong***

Fredy Bush

Jae Lie

Ms. Fredy Bush was founder of Xinhua Finance Limited and had been CEO from June 2001 to May 2008. She brings over 20 years of experience in Asia and consistent entrepreneurial success. Possessing unique knowledge of the international financial markets combined with in-depth understanding of relationships and business practices in Greater China, Prior to establishing Xinhua Finance, from 1987 to 1999, she founded and operated a consulting business in Asia, where she helped multinational companies to identify business opportunities in Greater China.

PEOPLE ON THE MOVE

LEXISNEXIS NEW ZEALAND APPOINTS DARRYN KEILLER GM

LexisNexis New Zealand announced the appointment of Darryn Keiller to the position of General Manager. He will be based in Auckland and report directly to Max Piper, Chief Executive Officer (CEO).

Source: LexisNexis Press Release

PAUL WOODWARD FEATURED IN TradeShow's POWER PACK 100

BSG founder Paul Woodward is featured in *TradeShow Week*'s Power Pack 100 listing of the most influential people in the exhibition business. Woodward is being complimented: "From his perch in Hong Kong, for years Woodward has had his hand on the pulse of the Asian tradeshow industry, churning out detailed reports on all aspects of the continent's business. He seems to know as much about what's going on in the relatively low-profile countries of southeast Asia as he does about the enormous industry in China. Woodward also runs UFI's Asia/Pacific office." Congratulations!

Paul Woodward is one of three founder members of BIIA and serves on its Board of Directors

TONY ANGEL NAMED EUROPEAN HEAD OF STANDARD & POOR'S

Standard & Poor's, the leading provider of financial market intelligence, announced on June 10th the appointment of Tony Angel as executive managing director and head of its Europe, Middle East and Africa (EMEA) business. He will report to Deven Sharma, president of Standard & Poor's. Mr. Angel was previously firm-wide managing partner at Linklaters, where over the past three decades he advised leading corporations and financial institutions on a variety of complex transactions and developed a deep knowledge of the world's capital markets.

"The long-term growth outlook for capital markets in the EMEA region presents significant opportunities for Standard & Poor's, and Tony is ideally suited to help us capitalize on those opportunities," said Mr. Sharma. "With more than 30 years of experience at Linklaters working on a wide variety of sophisticated transactions, and 10 years driving the firm's global integration and expansion, he brings a unique combination of proven leadership skills, a keen international perspective and a strong understanding of the capital markets."

Source: S&P Press Release

INFOMEDIA'S MAGAZINE PUBLISHING BUSINESS APPOINTS NEW CEO

Infomedia India Ltd. announced this week the appointment of Mr. Lakshmi Narasimhan as new CEO of its magazine publishing business. Before joining Infomedia Mr. Narasimhan was head of business development at ***Network18.*** Earlier this year, the ***Network18 Group*** agreed to purchase a 53% stake in Infomedia India from the private equity arm of the Indian bank, ***ICICI.*** ***Source: Exchange4media release***

MEMBER NEWS

CRIF HOLDS FORUM IN MOSCOW

The CRIF Forum focused on credit risk and business process management solutions. It was the first CRIF Forum in Russia and it attracted genuine interest from the banking community. The Forum drew more than two hundred participants from Moscow and regional banks as well as CRIF representatives from different countries. Mr. Andrey Suchkov, Senior Vice-President - VTB Bank, was the Chairman of the event.

During the event, CRIF representatives and major Russian banks focused on specialized risk management tools and shared practical experience on how the implementation of modern technical solutions can increase the efficiency of operations and broaden prospects for further development and growth. Participants were able to visit Product Expo – a product exhibition representing the most topical issues in Credit risk management such as Loan Origination, Collection, Portfolio Management, and Anti Fraud Solutions.

CRIF has been present in Russia since 2005. Today not only the National Bureau of Credit Histories cooperates with CRIF, but also several major banks amongst which are URALSIB, KMB Bank and MDM Bank.

Source: CRIF Press Release – www.crif.com

TRANSUNION LAUNCHES PERSONAL LOAN SCORE FOR HONG KONG

TransUnion announced on June 25th the launch of Personal Loan Score, the industry's first credit scoring tool designed to help businesses reduce delinquency of unsecured loans for the Hong Kong market.

This scoring solution assists businesses in predicting future loan performance and assesses the value of a loan over the next 12 months. By providing innovative evaluation and insight into potential customers' credit scores, the Personal Loan Score can help Hong Kong's businesses make more informed and strategic decisions about attracting the right prospects. Using this score, businesses can manage their risk exposure with increased accuracy, which helps to drive revenue and decrease collection costs.

"A proven scoring system -- geared toward mitigating unsecured loan risk -- is a powerful tool for businesses to assess initial loan applications," said TransUnion's Lawrence Tsong, managing director. "We expect the Personal Loan Score to be the standard for credit risk assessment related to unsecured loans in the Hong Kong market."

TransUnion's Personal Loan Score is specifically tailored for Hong Kong, a market where the quantity of credit data continues to evolve. Now, businesses will be able to enhance modeling for customer acquisition and segmentation practices, which will add value to current operation procedures and business processes.

"Evaluation of consumer lending habits has been at the forefront of the industry, with businesses wanting the necessary tools to make strategic, profitable decisions throughout the customer lifecycle," said Tsong. "With TransUnion's Personal Loan Score, businesses will gain invaluable insight into the credit lifecycle, providing actionable results to minimize future delinquencies."

For further information contact Michael Lo at michaellohk@transunion.hk

MEMBER NEWS

TRANSUNION: OFFERS UP TO 9 MONTHS OF FREE CREDIT REPORT MONITORING TO ELIGIBLE CONSUMERS

CHICAGO, May 29: TransUnion announced that it will soon begin providing eligible U.S. consumers up to nine months of free credit monitoring and related services. The offering is part of a preliminary settlement of a lawsuit that has been pending for many years and arose from a business TransUnion discontinued in 2001. This offering is consistent with TransUnion's commitment to providing consumers with tools and resources that empower them to actively manage their credit health.

On May 28, a judge of the Eastern Division of the U.S. District Court in the Northern District of Illinois granted preliminary approval of the settlement of a class action lawsuit that claims the Defendants violated state laws and the Fair Credit Reporting Act ("FCRA") when they sold certain marketing lists. "We understand that many consumers are concerned about privacy and hope that this settlement demonstrates our commitment to empowering consumers to better understand, manage and protect their credit information," said Colleen Ryan, vice president of corporate and community affairs for TransUnion.

The Class includes all individuals who had an open credit account or an open line of credit from a credit grantor (including, for instance automobile loans, bank credit cards, department store credit cards, other retail store credit cards, finance company loans, mortgage loans, and student loans) located in the United States anytime from January 1, 1987 to May 28, 2008. To receive credit monitoring and related services from the settlement, Class members must go to http://www.listclassaction.com/.

The settlement administrator expects to have this site accessible to the public no later than June 16, 2008. "TransUnion is committed to providing consumers with tools and services that empower them to manage their own credit health," said Ryan. "The services offered through this settlement complement our many consumer empowering initiatives. These include:

- Providing the resources consumers need to make educated decisions regarding their credit
- Becoming the only major credit bureau to provide consumers with access to live operators who can help answer their questions
- Being the first to announce that consumers concerned about identity theft can freeze their credit file in all 50 states
- Partnering with programs like Operation Hope to help inner city families learn how to build and manage their finances.

"The bottom line is that TransUnion is a company based on integrity and there has been no finding that any law was violated," said Ryan. "As a company, we are very pleased with this settlement that entitles so many consumers to these beneficial services."

Web site:* *http://www.transunion.com/* *http://www.listclassaction.com/

INDUSTRY NEWS FROM CHINA

XINHUA FINANCE ANNOUNCES AGREEMENT WITH THE SINGAPORE STOCK EXCHANGE

Xinhua Finance Limited announced that its news service, ***Xinhua Finance News (XFN)***, will provide the ***Singapore Exchange Limited*** (SGX) with financial information on the component stocks of the FTSE ST China Index. XFN will also regularly report on China-based companies listed on SGX.

Mr. Lai Kok Leong, a vice president at SGX stated, “SGX is pleased to work with XFN on news coverage of the China market and the FTSE ST China index stocks. With its many in-country bureaus and in-depth understanding of China, this news service will improve the information flow from the local market to investors on SGX.”

Source: Xinhua Finance Release

XINHUA FINANCE REVENUES INCREASE 36% IN FIRST QUARTER

Xinhua Finance Limited (XFL) recorded first quarter revenues of US$63.5 million – a 36% year-on-year increase. The company attributed the growth to expansion of its China operations which accounted for US$43.6 million of revenues. However XFL recorded a net loss of US$6.2 million in the first quarter compared with a net profit of US$94.5 million in the first quarter of 2007. Management noted that the loss included amortization of intangible assets related to a recent acquisition. The profit in the first quarter of 2007 was largely due to a one-time gain of US$97.5 million from the listing of Xinhua Finance Media – XFL’s NASDAQ-listed subsidiary.

Xinhua Finance CEO Jae Lie commented, “We are pleased with the continued progress of our China businesses during the first quarter of this year. The strong performance of our China businesses is supported by our unparalleled market position and ability to capture opportunities in China’s dynamic market environment. Going forward, we intend to continue our expansion in this fast-growing market, which is our core competency, while focusing on the organic growth of the content business.”

Source: Xinhua Finance Release May 29th, 2008

XINHUA FINANCE OUTLOOK CUT TO “NEGATIVE” BY S&P

Standard & Poor’s Ratings Service (S&P) has cut its outlook on Xinhua Finance (XFL) from stable to negative. Xinhua Finance’s long-term corporate credit rating was re-affirmed as a ‘B’ rating. S&P stated that “the action reflects uncertainty over XFL's future business strategy and financial performance following the company's announcement that it is seeking consent from bondholders to change the designation of some of its U.S. assets from being restricted subsidiaries.”

Xinhua Financial provides financial data covering equity and currency markets in China. The company is listed on the Tokyo Mother’s board. ***(Shanghai May 29th, 2008)***

INDUSTRY NEWS FROM CHINA

CHINA FINANCE ONLINE REPORTS FIRST QUARTER 2008 REVENUES OF US$11.1 MILLION

China Finance Online, a provider of online financial data in China, announced that its revenues were US$11.1 million in the quarter ended 31st March. That is a 117% increase over the first quarter of 2007. Of that total, US$9.6 million revenues were generated by subscription fees paid by individuals.

GAAP net income was US$3.5 million in the quarter – an increase of 3.5 times over the same period in 2007. Non-GAAP net income was US$5.9 million, compared to US$1.2 million recorded in the first quarter last year. China Finance Online is forecasting revenues in the second quarter to be between US$13.0 million and US$13.5 million. Full year revenues are forecast to range from US$56 million to US$61 million.

Source: China Finance Online release

ALIBABA LAUNCHES CHINA TRUSTPASS FOR INDIVIDUALS

Alibaba.com announced this week that the company has launched a new "China TrustPass for Individuals." The service will only be available on ***Alibaba.com's Chinese language sourcing site***. Previously, China TrustPass membership was only available to corporations.

The individuals subscribing to the service will need to provide some verification data in order to qualify including their identity card and bank account details. The individual membership fee will be RMB 2,300 compared to RMB 2,800 for the corporate membership. Alibaba.com's Chinese site has over 280,000 paying members and the company stated that registered users on the website are growing at 36% year-on-year.

Alibaba.com CEO, David Wei commented, "Starting up a new business and trading over the Internet has never been easier and more affordable for entrepreneurs. Alibaba.com has always been a pioneer of trust and safety on the Internet and we believe that a reliable trust system for individuals as well as corporate e-commerce users is essential. China TrustPass for Individuals will help entrepreneurs build credibility and open up new business opportunities." ***Source: Alibaba.com Announcement June 10th,2008***

BIIA Comment: This development has the hall marks of a 'substitute consumer credit bureau' designed to overcome the lack of consumer information in China. The Consumer Credit Bureau operated by the People's Bank of China provides data only to the financial services industry. Other credit grantors are locked out.

PRICE WAR ON CHINA SOURCING SITES?

Shenzhen-listed Zhejiang Netsun announced this week that it will now offer its "China Supplier" online marketing service at an annual fee of RMB 1,800. Alibaba.com's domestic souring site has almost 25 million registered users and 286,000 paying members. The list price on Alibaba.com's Chinese website is currently RMB 2,800. Global Sources' Chinese language sourcing site was launched last year and it is currently free of charge.

Netsun operates a network of domestically-focused, vertical industry online sourcing platforms covering chemicals, textiles and pharmaceuticals. ***Source: Zhejiang Netsun Release***

INDUSTRY NEWS

EQUIFAX AND FAIR ISAAC ENTER PARTNERSHIP TO ACCELERATE DEVELOPMENT AND DELIVERY OF NEW ANALYTIC SOLUTIONS

***ATLANTA and MINNEAPOLIS, June 10, 2008* –** Equifax Inc. (NYSE: **EFX**) and Fair Isaac Corp. (NYSE: **FIC**) announced today that they have established a partnership to develop and sell advanced analytics and scoring solutions for businesses and consumers. Under the agreement, the two companies will leverage Equifax's consumer credit data and Fair Isaac's scoring technology, and will jointly market and sell new FICO® analytic products. The companies are also working together to accelerate testing and roll-out of the FICO 08 model for Equifax customers.

Separately, Fair Isaac has agreed to dismiss Equifax as a defendant in its lawsuit against VantageScore LLC and the three national credit reporting companies.

"Equifax and Fair Isaac have worked closely for many years, developing industry-leading credit tools. This new agreement further solidifies our working relationship and allows both companies to provide better solutions to their customers," said Richard F. Smith, Chairman and CEO, Equifax.

"Our longstanding partnership with Equifax is entering a new phase – one that will drive rapid development and distribution of advanced analytic solutions," said Mark Greene, CEO, Fair Isaac. "When the world's leading provider of analytics and decision management solutions aligns with one of the world's leading information technology companies, the customers of both companies win."

On the consumer side, Equifax and Fair Isaac have a long history of providing products that combine the Equifax credit report with the FICO Score, including the delivery of ScorePower™ and ScoreWatch™ through Equifax's Personal Information Solutions business at Equifax.com, as well as through Fair Isaac's myFICO.com web site. This new agreement creates additional opportunities for developing better tools and delivering them directly to consumers for use in managing their credit reputation and relationships. ***Source: Equifax FORM 8-K SEC Filing***

The BIIA website traffic is building up slowly. In June the numbers of hits were up to 28,814 compared to 25,646 in May. In May the BIIA website was visited 3,498 times and visitors viewed a total of 9,114 pages.

The BIIA website is therefore well on its way to be a valuable reference site for members, users, regulators and other parties with vested interests in information services.

Members are requested to provide press releases, white papers on best demonstrated practices and regulatory issues to keep the information contained in the BIIA library current.

INDUSTRY NEWS

EXPERIAN IN JOINT VENTURE WITH CCB INC. IN JAPAN

Experian and its long-term partner CCB Inc. have established a new company called CBEX Solutions Inc. to focus on credit reporting services in banking, credit card and consumer financing industries. The JV will provide advanced credit bureau system operations, information solutions and consultancy services. The new venture appears to be timely due to structural changes in consumer lending, which will have major implications on credit information services.

Structural Changes in Lending in Japan: Until recently the cornerstones of Japanese consumer lending were non-banking firms (*Sarakin* or money lenders). Currently there are 10,000 *Sarakin* firms, however, the seven biggest control 70% of the consumer lending market, some of these are publicly listed and are aligned with banks. The *Sarakin* loan business used to fill an important niche in Japanese society because borrowing from banks requires collateral or guarantors and is considered shameful. *Sarakin* loans require no collateral, only identification. Amounts can be as low as US$100; transactions are akin to ATM machines and take only a couple of minutes. *Sarakin* loans however came at a steep price: 29.2% interest and with ugly collection and repayment methods. In 2006 a new law was introduced to curb heavy handed collection and repayment practices. Interest rates are capped at 20%; loans are not permitted to exceed one third of an annual salary. The new law caused a shake-up of the loan industry, with many firms going bankrupt and the shares of the publicly traded *Sarakin* taking a beating. As a consequence mainstream banks are now moving into consumer lending.

Implications: Experian's new venture may be well positioned to benefit from the structural changes in the lending market. The new law in consumer lending will raise the level of respectability and should remove the aspect of shamefulness of borrowing from banks and eliminate the fear of heavy handed collection and repayment practices. Consumer lending by banks are therefore expected to take off, which will drive credit information consumption. The injection of new technology and state of the art information solutions and consultancy services will also lead to safer lending and lower interest rates, setting in motion a new cycle of growth for financial services and credit information. Going it alone appears to no longer be Experian's business models as evidenced by its joint venture with Sinotrust (China) and a credit bureau venture with major banks in India.

Source: Experian Press Release and Outsell Inc.

EXPERIAN QAS REPORTS GROWTH IN CUSTOMER BASE

Experian QAS, a part of Experian® specializing in customer data quality software and services, announced in June that its healthcare provider customer base in the United States and Canada has grown by 50 percent during the past 12 months. These healthcare institutions deployed Experian QAS to ensure patient data quality and privacy, shorten revenue cycles and increase patient satisfaction. Experian QAS solutions improve the quality of patient contact data input into any underlying application, from market-leading enterprise solutions to internally-developed systems. ***Source: http://press.experian.com/documents/showdoc.cfm?doc=3160***

B2B DIGITAL MEDIA NEWS

JAPAN

In May 2008 Business Strategies Group, Hong Kong (www.bsgasia.com) published its JAPAN ROUND-UP report building on the last edition published by BSG in May 2007. It provides a summary of the key developments in Japan's B2B media industry over the past year. The report is segmented into exhibitions, online & mobile and print. The following is an excerpt of key findings:

Despite its size, Japan's B2B media market appears to be viewed by many in the industry as a sleepy, slow-growth market and as a result, it does not always seem to receive the attention that its scale demands. Activities over the past 12 months suggest that this is beginning to change in the online B2B media market, particularly as China-focused companies begin to look towards Japan for new opportunities. Alibaba.com, Baidu and eBay have all made significant announcements regarding their commitment to the Japanese market.

Key trends influencing the market in Japan include the decline of the PC as an Internet access device, the continued rise of mobile devices and the growing popularity of user-generated content. Yet, the conservative traditional Japanese media industry still appears uncertain how to address these trends although three of Japan's leading newspapers (*Yomiuri Shimbun*, *Asahi Shimbun* and the *Nikkei Daily*) did finally acknowledge the Internet by cooperating to launch a content-sharing website.

Print media in Japan remains huge and stubbornly change-resistant

Print media is still a huge industry in Japan. Newspapers, magazines and mangas (comic books) remain big businesses. The Japanese market is home to six of the world's top-circulating newspapers. Print magazines are extremely popular and readily available through a variety of outlets from the mega-books stores down to the ubiquitous Japanese convenience store. The traditional Japanese publishers that manage these titles are still obviously reluctant to embrace the transition from print to online and the industry has enjoyed a degree of protection from foreign competition due to language barriers and the regulatory environment. However, there are a few signs that the inevitable change is beginning to take root in Japan's print media.

Three Japanese newspapers announce tie-up to "combat the threat" of Internet

In October last year, three leading Japanese newspapers announced they had agreed to cooperate to mitigate the threat they see from the Internet. The *Yomiuri Shimbun*, *Asahi Shimbun* and *Nikkei Daily* will cooperate in the online production and distribution of their newspapers. The three newspapers plan to set up a new, single website that will publish articles from all three publications. The president of Nikkei Inc., Ryoki Sugit, stated that "The largest purpose is to help readers realise the role of newspapers seen in the Internet media."

Courtesy: Business Strategies Group, Hong Kong – www.bsgasia.com – a BIIA Founder Member

FROM THE REGULATORY CORNER

THE EU AND RATING AGENCIES - TOO MUCH HYPE, WHAT HAPPENED TO COMMON SENSE?

The rating agencies seem to have ticked off Europeans to the point where a lot of hype has filtered into speeches and potential initiatives. While the SEC in the US is making satisfactory progress with the rating agencies, Europeans think this is not enough and call for tougher standards. What will Asian regulators make all of this? Will they be encouraged to create separate standards?

Dwight Cass of Breakingviews.com commented on the recent speech by Charlie McCreevy, the EU internal market commissioner: "McCreevy's regulations aren't the answer. They risk giving investors more confidence than warranted, something that could backfire when the next credit crisis strikes." Mr. Cass of Breakingviews.com felt it would be better for regulators to get out of the ratings business altogether. The rating agencies would have to prove their mettle in the market for ideas and credibility. Mr. Cass's suggestions have merits, but that would mean that regulators would have to vacate their positions. Something they may not be willing to do.

Context: In his Dublin speech **Charlie McCreevy** sounded more like an elected official on the campaign trail, rather than a rational public official in charge of EU's internal market. He bluntly stated "The IOSCO Code of Conduct, to which the rating agencies signed up, has been shown to be a toothless wonder. The fact is that despite the checks on compliance with IOSCO code, no supervisor appears to have got as much as a sniff of the rot at the heart of the structured finance rating process before it all blew up." McCreevy said he would not wait for the rating agencies to clean up their act. The steps which rating agencies had to-date undertaken were insufficient and that a European regulatory solution was now necessary to deal with some of the core issues. Commissioner McCreevy's speech is available on: http://europa.eu/press_room/index_en.htm

Not too long ago **Eddy Wymeersch**, Chairman of the Committee of European Securities Regulators (CESR) said at the very least they (European regulators) will now have to introduce tougher codes of conduct for credit rating agencies. "It is still not clear in the European Commission whether there will be laws on credit rating agencies. EU Internal Market Commissioner Charlie McCreevy has to decide. That is his decision," Wymeersch said. "We are fed up with the rating agencies. Their performance was somewhat puzzling," Wymeersch told a Reuters Funds Summit in Luxembourg and added "some of the ideas being looked at included "naming and shaming" and reprimanding ratings agencies for any unacceptable behavior. CESR is an assembly of national securities watchdogs from the 27 EU states. Mr. Wymeersch is also the head of Belgium's banking and insurance supervisor, CBFA (as covered in BIIA Newsletter March 2008).

Ms. Merkel, the German Chancellor stated in a recent interview that it was time to create a 'European Rating Agency". Does this mean that a European rating agency would be more impartial than Fitch, Moody's, and S&P? What about Fitch? It is European and a majority-owned subsidiary of Fimalac, S.A., an international business support services group headquartered in Paris, France.

Why aren't there more European rating agencies? There are a number of excellent choices: Bertelsmann and Reuters for instance? It has been said that both looked into the merits of entering the rating business from time to time. Perhaps Ms. Merkel should ask them why they decided against it.

Source: EU website and European Press Coverage

FROM THE REGULATORY CORNER

EUROPEAN DIRECTIVE ON CROSS-BORDER EXCHANGE OF CONSUMER DATA

A new role model in consumer data regulation is underway in Europe.

The European Union is working on a new directive concerning credit bureaus in an integrated European market. The overall objective is to harmonize data standards and data protection so that lenders who lend cross-border will have reliable information and consumers borrowing cross-border must be able to prove their credit worthiness.

There are a number of interesting aspects in the new directive:

- The lender has an obligation to assess the credit worthiness of a consumer, on the basis of sufficient information, prior to concluding a credit transaction. The information would come from a relevant (credit bureau) database. Member States must assure that creditors from other States have access to credit bureau data with their State.
- The directive will include harmonization of national data protection provisions, which lays down common rules that credit bureaus must observe when collecting, holding or transmitting personal data. There will be an obligation to collect data for specified, legitimate purposes only and to hold only data which is relevant, accurate and up-to date. Citizens have a right to access, correct, and know the origin of data and a right of recourse.
- No transfer of data to countries not meeting EU adequacy standards for privacy protection

The latter will have implications for non-member states, whether to follow the regulatory track of the EU or to pursue their own standards. The question is how important is cross border flow of consumer data? Perhaps in Asia it is of no importance. In Europe, however, the mobility of individuals between member states is on the increase.

Source: Discussion at the recent ACCIS annual meeting in Florence - www.accis.org

EUROPEAN UNION (EU) ATTACKS PROPRIETARY INFORMATION STANDARDS

EU Competition Commissioner Ms Kroes warned in a speech at the OpenForum Europe that when proprietary technology became a 'de facto' standard through market acceptance, and the owner of that standard would exploit that market power, the EU might have to intervene.

The statement by Commissioner Kroes could be interpreted by 'Silicon Valley' as a stab in their direction. They will now have to wait with baited breath as to whether the EU will apply the same intervention to proprietary standards coming from Europe. ***Source: Financial Times***

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