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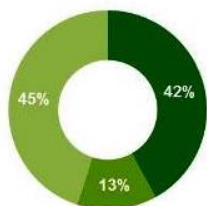


10 Compelling Reasons to Join Us at the BIIA 10th Anniversary Conference

[View the Program & Register Today](#)

LATE BREAKING NEWS

Outsell Discusses the Global Trends and Issues Forecast for the Financial, Credit and GRC Solution Market



■ Financial ■ Credit ■ GRC



**Financial, Credit, Governance
Risk & Compliance (GRC)**
Share of Total US\$ 100.5 bn Market
in 2014

Technology and innovation continue to propel growth across this space.

Outsell, Inc., the world's only research and advisory firm focused on the \$766.5 billion information industry, announced publication of a new report, Financial, Credit and Governance, Risk & Compliance: 2015 Market Size, Share, Forecast, and Trend Report.

In this report, Outsell provides a view of the financial, credit, and governance, risk and compliance (GRC)

landscape. Outsell highlights several segments, including financial solutions, credit solutions, GRC solutions, and tax and accounting solutions – all of which fall into this macro segment of the information industry. Key players in these segments include Bloomberg LP, Thomson Reuters, McGraw Hill Financial, Experian, Equifax, TransUnion, LexisNexis, Altegrity, and Verisk Analytics.

The report provides a description of the industry, its competitive landscape, disruptive forces and companies along with Outsell's industry forecast. There has been much innovation within this segment, and the report provides advice and essential actions for publishers and information providers who want to create revenue opportunities, attract new buyers, and achieve a competitive advantage. Equally, it supports those who cover and need greater understanding of the industry in question, including suppliers to the industry, investment bankers, as well analysts and journalists.

William Jan, VP & Lead Analyst at Outsell, states, "At the cutting-edge of technology lies a continued tug-of-war between performance value and compliance. What has emerged is the solution providers' desire to enhance real-time access to global data and reduce transaction latency, and the regulators' scrutiny into unfair or improper data access." The financial, credit, and GRC market has become a \$100 billion market, as of 2014, and will grow by nearly 30% in 2018.

To order this report click on this link: [Financial, Credit and Governance, Risk & Compliance: 2015 Market Size, Share, Forecast, and Trend Report](#).

About Outsell, Inc.: Outsell, Inc. is the only research and advisory firm focused solely on media, information, and technology. We use a time-tested, quality-proven, top-secret blend of data, brains, community, and pizzazz to produce extraordinary value for our clients. Elite information industry executives from all over the world look to Outsell for trusted advice, bold insights, and confidential access to exclusive intelligence and decision support. Outsell has your back. You'll stay more focused, save time, grow revenue in a fast-changing digital environment, and sleep better at night. Guaranteed

Outsell is a co-founder of BIIA and Silver Sponsor of the BIIA 10th Anniversary Business Information Conference.

MEMBER NEWS

SME Finance Forum (SMEFF) Launched



The SME Finance Forum (SMEFF) is a part of the G20's Global Partnership for Financial Inclusion. SMEFF is a platform for sharing knowledge in small and medium enterprise finance, for promoting best practices, and for collecting data to help set standards in this field. SMEFF has been created because improving financing for SMEs is critical for creating and sustaining jobs around the world. Hosted at IFC, and supported (so far) by the governments of the UK, Korea, and the Netherlands, SMEFF's activities are likely to include:

- Data collection and benchmarking
- Case studies
- Other research reports into the state of SME Finance
- Policy/regulatory advocacy
- Workshops/conferences/seminars
- Discussion Groups
- Innovation support (currently administering the G20 SME Innovation Challenge, supporting 13 promising new initiatives world-wide)
- Other knowledge and expertise brokering

SMEFF has only just opened for business, centered about our web platform which can be reached at www.smefinanceforum.org

"I encourage you to visit the website, sign up to join discussion groups (and our new LinkedIn group), and let us know if you have any reports or other valuable knowledge products that we can link others to through our platform. Most important, please take the time to let us know how to make the website more useful!" says Matthew Gamser the head of the SME Forum. You can reach him at MGamser@ifc.org

Source: [SMEFF](#)

The SME Finance Forum of the International Finance Corporation (IFC) is inviting BIIA members to attend the first Global SME Finance Forum 2015, which will be held 15-16 November 2015 in Antalya, Turkey.

This premier SME finance event will bring together leaders from financial institutions, development financial institutions, and FINTECH companies. The two-day program is designed to provide insights on innovation and transformative technologies that can accelerate small business finance. This year's event will also mark the launch of the SME Finance Forum's global membership network. An additional highlight of the Global SME Finance Forum 2015 will be the spectacular venues that Antalya affords for informal meetings and networking opportunities. **BIIA is a networking partner of SMEFF.**

For further information click on this link

BIIA Workshop on Data Standards and Cross Border Data Flow



Facilitated by Tony Lythgoe, International Finance Corporation (IFC).

To register for this event contact Peter Sheerin sheerin.peter@gmail.com

MEMBER NEWS

Thomson Reuters Bolsters Credit Risk Platform



Thomson Reuters has enhanced its credit risk capabilities, by adding StarMine Credit Default models to its DataScope suite, bringing together on one platform reference data, core ratings agency data, pricing and analytics.

The Thomson Reuters proprietary StarMine Credit Default models provide data services that enable automated and continuous monitoring and review processes to improve a firm's ability to predict credit events as early as possible. Regulations such as the Basel accords and Dodd-Frank outline how firms should assess their credit risk exposure, underscoring the need for greater focus on risk management to meet compliance requirements.

Thomson Reuters credit risk capabilities provide access to 388 different credit agency ratings alongside the proprietary credit models from StarMine, for a more holistic credit risk picture. Thomson Reuters credit risk capabilities also include entity hierarchy information, including countries of risk data to provide a granular assessment of exposure to risk, fundamentals content allowing clients to calculate key ratios, as well as news sentiment scoring to facilitate automation of alerts to news that may have a credit impact. In addition, users can access key reference data, legal entity indicators (LEIs), cross-referenced entity codes, as well as evaluated pricing of 2.5 million securities with full transparency into methodologies and comprehensive CDS pricing. **Source:** Finextra.com

CRIF Lending Solutions in Partnership with Equifax



CRIF Synergy Integrates TotalView™ from Equifax for Expanded Lending Insights

Equifax Inc. announced that CRIF Synergy's **CREDICHECK solution** for credit data access will provide **TotalView™ from Equifax** in order to help offer a wider range of borrower insights to its customers. For lenders, assessing a customer's capacity to borrow often requires manual collection of data, which can be time-consuming and costly. Additionally, in order to balance risk, growth and profitability, lenders must rely on a broad range of data sources - as opposed to just the credit file - when implementing acquisition programs.

TotalView was introduced in late 2014, and offers a single point of access to a wider range of borrower insights and capabilities including:

- Enhanced credit information, including granular trade line data, expanded payment information, and more precise dates and additional address records;
- Access to property data and analytics, including insights on property ownership and estimated equity and value;
- Income and employment verification;
- Automated decisioning, allowing for the application of unique rules to drive consistent, confident decisions and actions; and
- Fraud detection to help reduce risk.

Efficiency and strong risk management are critical to CRIF Synergy lending customers, and TotalView is expected to help support the company's continued growth among its multi-channel customer base. **Source:** Prnewswire.com

MEMBER NEWS

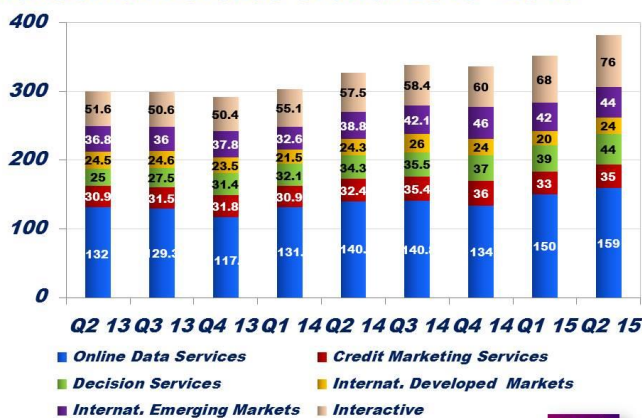
TransUnion Q2 2015 Revenues Up 18% (constant) – 16% in FX



• TransUnion reports second Quarter 2015 revenue of \$379 million, an increase of 16 percent (18 percent on a constant currency basis) compared with the second quarter of 2014. Acquisitions accounted for a 1.6 percent increase in revenue. Adjusted EBITDA of \$135 million, an increase of 16 percent compared with the second quarter of 2014. **Segment Highlights:**

U.S. Information Services (USIS): Revenue was \$239 million, an increase of 14 percent compared with the second quarter of 2014, driven by robust revenue growth across all platforms. Incremental revenue from acquisitions accounted for a 2.1 percent increase in USIS revenue.

TransUnion Revenue Growth 2013 - 2015



Source: TransUnion (US\$ Millions)



Online Data Services revenue was \$159 million, an increase of 12 percent, driven primarily by an increase in credit report volumes and strong double-digit growth in TLO.

Marketing Services revenue was \$35 million, an increase of 10 percent, due primarily to an increase in demand for custom data sets and archive information and revenue from recent acquisitions.

Decision Services revenue was \$44 million, an increase of 28 percent, due primarily to revenue growth in healthcare, financial services and insurance markets and revenue from acquisitions.

International: Revenue was \$68 million, an increase of 6 percent (19 percent on a constant

currency basis) compared with the second quarter of 2014, driven by double-digit local currency revenue growth in both developed and emerging markets, offset by the impact of foreign exchange rates. Incremental revenue from the consolidation of CIBIL accounted for a 1.6 percent increase in International revenue. Developed markets revenue was \$24 million, an increase of 3 percent (12 percent on a constant currency basis) compared with the second quarter of 2014.

Emerging markets revenue was \$44 million, an increase of 7 percent (23 percent on a constant currency basis) compared with the second quarter of 2014. Operating income was \$2 million, a decrease of 60 percent compared with the second quarter of 2014.

Consumer Interactive: Revenue was \$76 million, an increase of 31 percent compared with the second quarter of 2014, driven by an increase in revenue from both the direct and indirect channels. **Source: TransUnion Earnings Report**

MEMBER NEWS

Dun & Bradstreet Partners With UT Austin to Further Education in Data Science



Students develop new tools addressing market needs in the sales and supply chain management fields

Dun & Bradstreet and The University of Texas at Austin (UT Austin) completed the first year of their five-year partnership aimed at providing hands-on learning opportunities to students in the field of data science. The partnership provides students in both the Cockrell School of Engineering and the McCombs School of Business with the unique opportunity to develop skill sets that meet the needs of today's data-driven environment. Students are presented with challenges based on current market opportunities during the fall semester and asked to present their solutions at the conclusion of the academic year.

Projects for the 2014-15 academic year were designed based on internal feedback from product and analytics teams at Dun & Bradstreet. One project was selected for each school and students were asked to develop new tools that address demands in the sales and supplier management sectors. The process gave students and future data scientists an enriched curriculum and the opportunity to experience working with the resources and executive mentorship of a world-class data and analytics company. At the end of the program, students walk away with a tangible experience that will enhance their resume and ultimately impact their career.

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

Dun & Bradstreet Financial Inclusion Conclave Assesses Changing Landscape of Financial Inclusion in India

The highlights of Dun & Bradstreet's 3rd Financial Inclusion Series scheduled in Mumbai were the varying perspectives on the changing landscape of financial inclusion in India. Specifically the aims of delivering affordable financial services to those currently outside the purview of such services – mostly the poor– from the viewpoint of banks, stock exchanges. The role of the Unique Identification Authority of India (UIDAI) with its Aadhaar card that aids the central government in identifying members of the public to enable the dispensation of monetary benefits more effectively and thus improve financial inclusion.

Ms Preeta Misra, Director – Learning Solutions, Dun & Bradstreet said, "Financial Inclusion has been accorded high importance to aid the inclusive growth process for any economy. In order to spread financial inclusion in every area, financial literacy has to be provided to castes that do not have finances. For this, banks have to play a vital role so that financial inclusion can be made available to grass root level.

In this regard, D&B India has undertaken various capacity building initiatives for Micro, Small & Medium Enterprises and has conducted over 250 programs across different clusters. In fact, D&B manages the world's most valuable commercial database with information on more than 240 million plus companies. D&B India has over 10 million records in its database of which 90% consists of the small and medium enterprises. Through seminars such as the Financial Inclusion Conclave, D&B will continue to be committed to this sector and the development of MSMEs."

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

MEMBER NEWS

Experian and Kabbage in Strategic Alliance



Experian to Provide Kabbage Technology and Data Platform to Clients

Kabbage Inc. is one of the leading technology and data platform that powers automated small business lending, is expanding its platform business through a strategic alliance with Experian, the leading global information services company.

As part of the collaboration, Experian will offer Kabbage's automated lending and servicing platform to its institutional clients that serve small businesses and consumers.

The announcement follows this year's successful launch of Kabbage's platform licensing business, an extension of the company's core direct lending business. Kabbage continues to reinvent financial services by making its technology platform available to large financial institutions and other companies in the U.S. and abroad that serve small businesses and consumers.

Experian joins MasterCard as the second global leading company in financial services to leverage the Kabbage platform to extend automated lending to small businesses and consumers. Through these alliances, Kabbage will serve a broad spectrum of financial institutions, connecting small businesses and consumers with new sources of funding.

About Kabbage Inc. Kabbage Inc., headquartered in Atlanta, has pioneered the first financial services data and technology platform to provide fully automated funding to small businesses in minutes. Kabbage leverages data generated through business activity such as accounting data, online sales, shipping and dozens of other sources to understand performance and deliver fast, flexible funding in real time. Through its [Karrot](#) brand, Kabbage offers simple consumer loans through its automated platform. **Source:** [Mysanantonio.com](#)

Experian Divests FootFall

Experian has divested its retail intelligence business, FootFall, for a cash consideration of £38.5m (US\$60m) to Tyco, a leading provider of integrated retail performance and security solutions.

FootFall, part of Experian's Marketing Services business line, monitors and analyses in-store customer behaviors to help retailers and shopping centers to understand their customers better. It operates across Europe, Asia and the US. Over the past ten years under Experian's ownership it has established an internationally recognized brand and key client relationships across the retail and retail property ownership industries.

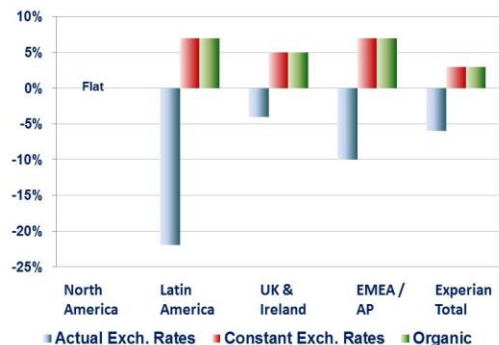
Brian Cassin, Chief Executive said: "Earlier this year we set out our Group strategy aimed at delivering attractive rates of earnings growth and superior returns. One of our key strategic priorities is to focus on our larger businesses and geographies, where we can most successfully combine our core strengths in data, analytics, software and expertise. Executing on this strategy, we concluded that FootFall lies outside our core strategy and we are pleased to have agreed the sale of FootFall to Tyco, who are well placed to drive FootFall's future growth.

We wish the FootFall management team and employees every success under Tyco's ownership and would like to thank them for their support over the years." FootFall's revenue for the year ended 31 March 2015 was US\$39m, which was included within Marketing Services. **Source:** [Experian Press Release](#)

MEMBER NEWS

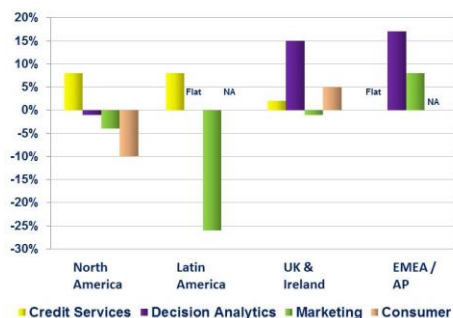
Experian Q1 (Fiscal 2016) Revenues Up 3% (Constant Exchange Rate)

Experian Q1 Fiscal 2016 Growth (Quarter Ending June 30th 2015)



Experian Earnings Release

Experian Q1 Fiscal 2016 Growth (Constant Exchange Rate – Quarter Ending June 30th 2015)



Experian Earnings Release

clients reduce marketing activity in response to the economic environment in Brazil.

UK and Ireland: At constant exchange rates, total and organic revenue growth for UK and Ireland was up 5%.

Credit Services, where organic revenue growth was 2%. Decision Analytics had an outstanding (and somewhat exceptional) quarter, with organic revenue growth of 15%. Marketing Services of 1% was largely due to phasing in our data quality business, which offset growth in the cross channel marketing suite. Consumer Services saw further progress with organic revenue growth of 5%.

EMEA/Asia Pacific: At constant exchange rates, total and organic revenue for EMEA/Asia Pacific was up 7%.

Source: [Experian Earnings Release](#)

In the three months to 30 June 2015, total growth was 3% at constant exchange rates and organic revenue was also up 3%. At actual exchange rates total revenue from continuing activities was down 6%. The differences relate to foreign exchange translation effects relative to the US dollar.

By business line, Credit Services delivered organic revenue growth of 7% and Decision Analytics was up 9%. Organic revenue in Marketing Services and Consumer Services reduced by 2% and 6% respectively.

North America: Total and organic revenue growth in North America was flat.

Organic revenue growth in Credit Services was 8%. Decision Analytics had a slow start to the year and was down 1% organically. Marketing Services revenue was down 4%.

In Consumer Services, the rate of decline further moderated to 10% as we continue to make progress in transforming this business.

Latin America: At constant exchange rates, total and organic revenue in Latin America was up 7%

Growth in Credit Services was 8%, with positive contributions from Brazil and our other Latin American bureau. Organic revenue in Decision Analytics was flat. Marketing Services had a weak quarter, down 26%, as

INDUSTRY NEWS

CoreLogic Enhances Online Leasing Application



New integrations and self-serve administrative capabilities accelerate clients' go-live implementations

CoreLogic®, an analytics and data-enabled services provider, launched an expanded version of Leasing Manager from CoreLogic, a cloud-based online leasing workflow solution for multifamily property owners and managers.

Prospective residents applying for an apartment home, leasing professionals and property managers will benefit from greater efficiencies offered by the fully integrated digital workflow. In addition to proprietary statistical lease screening, the enhanced platform offers property managers and owners full integration and configuration of lease forms for ancillary services including transfer of utilities, covered parking, storage units or washer/dryer rentals. For properties that require renters insurance as a condition of the lease, the configuration helps ensure an applicant's compliance with this requirement. **You access the entire press release through [this BIIA posting](#).**

Source: [CoreLogic Press Release](#)

CoreLogic and ComplianceEase Launch LoanSafe Compliance Manager Real Estate Industry and Trade Media

New Solution Helps Lenders Comply with Upcoming TILA-RESPA Rule, as well as QM and High Cost Loan Requirements

CoreLogic® announced the release of LoanSafe Compliance Manager™, a new solution to help lenders comply with a broad array of federal, state and local residential mortgage lending regulations, including the TILA-RESPA Integrated Disclosure (TRID) rule when it takes effect Aug. 1, 2015.

LoanSafe Compliance Manager is powered by ComplianceEase®, the nation's leading provider of automated compliance solutions to the financial services industry, and is a new part of the industry leading LoanSafe® mortgage risk management suite from CoreLogic. ComplianceEase recently announced that its flagship product ComplianceAnalyzer® with TRID Monitor™ is now able to audit and monitor all the new TRID disclosures from the initial Loan Estimate through the Closing and Post-Consummation Closing Disclosures.

About ComplianceEase®: Headquartered in the Silicon Valley, ComplianceEase, a division of LogicEase Solutions Inc., is a leading provider of risk management solutions to the financial services industry. ComplianceEase's patented platform includes ComplianceAnalyzer®, the mortgage industry's most adopted automated compliance solution. ComplianceEase combines regulatory expertise with innovative technology to power end-to-end risk management solutions that help financial institutions improve compliance controls and increase profitability. The company's growing client base includes financial institutions, service providers, law firms, GSEs and three of the top five mortgage lenders in the U.S. ComplianceEase's automated compliance solutions have also been adopted as e-Exam tools by federal and state banking and mortgage regulators. For more information, please visit [ComplianceEase.com](#). **You can read the full BIIA post by clicking on [this Link](#)**

Source: [CoreLogic Press Release](#)

INDUSTRY NEWS

Asia Exhibition Industry Continues a Strong Growth Momentum

UFI, the global association of the exhibition industry, has just released the 11th edition of *The Trade Fair Industry in Asia*, which shows that Asia exhibition industry continues to grow fast in China and Asia.

BSG's research shows that 18.6 million m² of space was sold by exhibition organisers to their clients in Asia in 2014. This represents growth of total net space sold in 2014 of 6.8% - rising from 17,453,000 m² in 2013 to 18,641,750 m². The growth is similar to the 6.6% recorded in 2013. Of that total, more than 56% was sold in China and 11% in Japan. Among the more than 2,100 trade fairs included in the study, over 600 were held in mainland China compared with 338 in Japan the second largest market.

Southeast Asia markets performed well once again in 2014. Space sold in Indonesia increased by 9.2%, the Philippines by 8.8% and Thailand by 8.6%. One of the region's smallest exhibition markets, Macau, was the top performer in 2014 as net space sold there increased from 143,000 m² to 197,500 m². Several of the larger markets also posted above average growth. Space sold in China was up 7.4%, India by 7.6%, Taiwan by 8.8% and Korea by 8.2%. In 2015, BSG is forecasting regional growth in the Asian trade fair industry of 5.2% year-on-year measured in terms of net space sales. Strong performance will be seen in trade fair markets in Southeast Asia and the relative resilience of the industry in China.

This research was once again undertaken for UFI by [Business Strategies Group](#) (BSG). UFI members are entitled to receive a four page executive summary of the research and to purchase the full report at a substantial discount. For more information on this study, please contact UFI in Asia at: asia@ufi.org

Source: *Business Strategies Group Hong Kong* - www.bsgasia.com

Keep the Date! October 29th to Oct 30th 2015 Hong Kong

Ten compelling reasons for attending the BIIA 10th Anniversary Business Information Conference:

- The future of trade credit and the implications on credit information
- The availability of business information in Asia
- Will the Legal Entity Identifier replace individual private sector company identification systems or supplement them? Co-operation or competition?
- Governance, Risk and Compliance are becoming an integral component of supply chain risk assessment
- Fraud prevention is everybody's business: Can we win the war on fraud, identity theft and financial crime?
- Big Data and predictive analytics take center stage. Technology put the customer in the driver's seat
- Cyber Security: Your reputation is at risk!
- What keeps privacy professionals awake at night
- Business and policy issues concerning consumer credit information become increasingly complex. A panel of experts will discuss implications and potential solutions.
- FINTECH: What is it and will it kill the traditional credit bureau model?

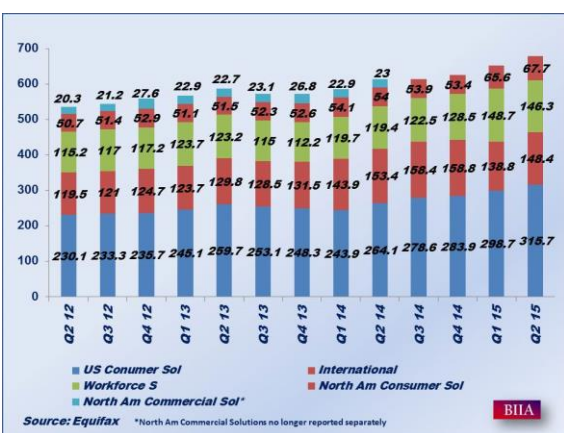


To learn more about the program click on [this link](#)

INDUSTRY NEWS

Equifax Q2 2015 Revenue Up 14% (Local Currency)

Equifax reported revenue of \$678.1 million in the second quarter of 2015, a 10 percent increase from the second quarter of 2014 on a reported basis and 14 percent in local currency. Diluted EPS attributable to Equifax was \$0.92, up 23 percent from the second quarter of 2014. Adjusted EPS attributable to Equifax was \$1.15, up 20 percent from the second quarter of 2014. Operating margin was 27.8 percent, up 50 points from the second quarter of 2014.



“Equifax continues to benefit from our unique diversified business model, high levels of execution and new product innovation,” said Richard F. Smith, Equifax’s Chairman and Chief Executive Officer. “Interest in our Decision 360 solutions is getting stronger as New Product Innovation 2.0 and our Enterprise Growth Initiatives deliver new and compelling insights that help our customers make better decisions. We anticipate a strong performance in 2015 and feel good about the outlook for 2016.”

Surprise, surprise: The Mortgage headwinds have suddenly blown away by a 20% growth in mortgage solutions. Concentrating on ‘Enterprise Selling’ appears to help Equifax to gain share in credit services.

USIS continues to deliver strong, broad-based growth driven by Decision 360 initiatives, Enterprise Selling and mortgage. Total revenue was \$315.7 million in the second quarter of 2015 compared to \$281.1 million in the second quarter of 2014, an increase of 12 percent. Operating margin for USIS was 42.1 percent in the second quarter of 2015 compared to 39.5 percent in the second quarter of 2014.

International drove strong, double digit local currency growth primarily through new product innovation and debt management services. Total revenue was \$148.4 million in the second quarter of 2015, a 1 percent decrease from the second quarter of 2014 and an 11 percent increase on a local currency basis. Operating margin for International was 19.9 percent in the second quarter of 2015 compared to 21.9 percent in the second quarter of 2014.

Workforce Solutions delivered very strong, double digit growth driven by the Affordable Care Act initiatives and Verification Services. Total revenue was \$146.3 million in the second quarter of 2015, a 23 percent increase from the second quarter of 2014. Operating margin for Workforce Solutions was 38.3 percent in the second quarter of 2015 compared to 33.9 percent in the second quarter of 2014.

Personal Solutions delivered solid growth exceeding the upper end of their target range driven by double digit growth in **Indirect and International**, in addition to breach activity. Revenue was \$67.7 million, a 7 percent increase from the second quarter of 2014 and up 8 percent on a local currency basis. Operating margin was 27.6 percent compared to 30.9 percent in the second quarter of 2014.

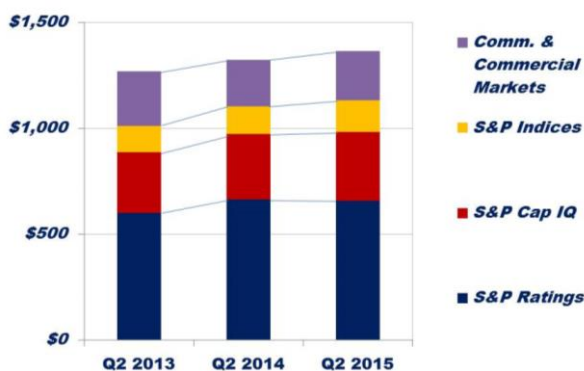
Source: [Equifax Earning Release](#)

INDUSTRY NEWS

McGraw Hill Financial Revenues Up 3% (after FX), Up 6% in Constant Currency

McGraw Hill Financial, Inc. (NYSE: MHFI) reported second quarter 2015 results with revenue of \$1.34 billion, an increase of 3% compared to the same period last year. Net income and diluted earnings per share from continuing operations were \$353 million and \$1.28, respectively.

McGraw Hill Financial Q2 2015 Revenues



Source: McGraw-Hill Q2 2015 Earnings Release Revenues in US\$ Millions



Standard & Poor's Ratings Services: The segment produced its second highest quarterly revenue compared to the record set one year ago in the same period. This year-over-year comparison reflects a 1% decline to \$658 million in the current quarter, primarily due to unfavorable foreign exchange rates and tepid bond issuance outside the United States due to geopolitical concerns.

S&P Capital IQ: Revenue increased 6% to \$324 million in the second quarter of 2015 compared to the same period last year. Expenses increased 3% and operating profit increased 15% to \$63 million. Adjusted expenses decreased 1% and adjusted operating profit increased 37% to \$74 million. The S&P Capital IQ Desktop product continues to have

the most meaningful impact on revenue with low-teens revenue growth resulting from a similar increase in the number of users. S&P Capital IQ's international revenue increased 5% to \$112 million in the second quarter and represented 35% of the business unit's total revenue.

S&P Dow Jones Indices: Revenue increased 11% to \$148 million in the second quarter of 2015 compared to the same period last year. Operating profit increased 16% to \$96 million. Operating profit attributable to the Company increased 16% to \$71 million. Top-line growth in the quarter can be attributed to licensing revenue associated with increased exchange-traded fund AUM, derivative trading, and data subscriptions. AUM in exchange-traded funds based on S&P Dow Jones Indices increased 10% to \$792 billion at the end of the quarter.

Commodities & Commercial Markets: Revenue increased 7% to \$234 million. Operating profit grew 13% to \$87 million and adjusted operating profit grew 15% to \$88 million in the second quarter of 2015 compared to the same period last year. Despite depressed oil prices, Platts continued to experience steady revenue growth in the high single-digits as a result of strength in price assessments and market data subscriptions. Based on recent product additions, revenue from the Metals, Agriculture & Petrochemicals group was particularly robust. In addition, licensing revenue from Global Trading Services increased primarily due to The Steel Index derivative activity and record eWindow trading volumes. J.D. Power delivered a low single-digit increase in revenue with its Power Information Network (PIN) leading the growth. Two businesses were recently added to the Commodities & Commercial Markets segment. Platts acquired Petromedia Ltd. to add to its petroleum business and J.D. Power added NADA Used Car Guide to complement its PIN offering.

Source: [McGraw Hill Financial Earnings Release](#)

NEWS FROM CHINA

Alibaba Boosts International Expansion with new Executive Appointment



Alibaba Group Appoints Michael Evans as President of Alibaba Group Evans to Lead and Execute Alibaba Group's International Growth Strategy

Alibaba Group announced the appointment of Michael Evans as President of Alibaba Group, effective immediately. Mr. Evans will continue his service as a management member of the Alibaba Group Board, having previously served as an independent director since the company's initial public offering in September 2014.

Mr. Evans' appointment highlights Alibaba Group's strong commitment to globalizing its business. The company has made growing its business outside of China a top priority, and is also committed to significantly increasing cross-border trade between China and key markets.

In this new role, Mr. Evans will be responsible for leading and executing Alibaba Group's international growth strategy to globalize the company and grow the business outside of China. He will report to Alibaba Group CEO Daniel Zhang.

Mr. Evans will harness Alibaba Group's leading platforms with direct access to 350 million Chinese consumers to drive increased levels of cross border commerce between China and the world. Mr. Evans' early focus will be on forging close partnerships with key brands, retailers and product owners in Europe, the Americas and Asia to help these important players swiftly and efficiently connect to the large China consumer market. He will bring a strong emphasis on customer service, efficiency and productivity and, working closely with his colleagues in China, ensure that Alibaba will deliver a high quality experience to international merchants and consumers in China.

"I am delighted that Michael has agreed to take on this important new challenge," said Alibaba Group Executive Chairman Jack Ma. "As we connect Alibaba and the rest of the world, we are turning to a proven international leader who has been connecting China and the rest of the world for most of his career. Through his work on our board, he has built the trust and respect of our management team, and I have no doubt that he will make a significant contribution to our business."



Prior to joining Alibaba, Mr. Evans spent 30 years in global finance, including the last 20 years as a Partner of Goldman Sachs, where he served as Vice Chairman, head of Global Growth Markets, and Chairman of Asia, in addition to leadership positions in the Securities and Investment Banking Divisions before leaving the firm in 2014. Mr. Evans is a member of the Board of Directors of Barrick Gold Corporation, Castleton Commodities International LLC and several not-for-profit organizations. Mr. Evans received his bachelor's degree in politics from Princeton University in 1981 and won an Olympic gold medal for his home country Canada as a member of the men's eights rowing team in the Los Angeles 1984 Summer Olympics. **Source:** [Alibaba Press Release](#)

Other press comments: The focus on cross-border commerce comes at a time of increasing competition online in the Chinese markets and increasing appetite among domestic consumers for the latest goods from international brands. "Globalization is Alibaba Group's most important strategy for the coming decades, and our goal is to help 10 million global businesses and serve 2 billion consumers around the world," Alibaba Group CEO Zhang said in a statement.

YOUR REPUTATION MAY BE AT STAKE

Third Party Misconduct Causes Lasting Damage

The fall in market value of companies hit by penalties over breaches committed by third parties can be 10 times as much as the fine itself, underscoring the damage done to shareholders by misconduct, according to research. Companies' share prices drop on average 2.6 per cent after penalties for misconduct not by the company itself but by third parties and contractors it might use, Deloitte, the accounting firm, said.

International fines and remedial costs are as high as £650m even before the cost of indirect losses such as damage to a company's reputation and a drop in sales are taken into account, the research showed. The statistics come as a swath of companies have suffered from high-profile regulatory sanctions after they did not have tight enough oversight of their contractors, for whom they are ultimately responsible in the eyes of the law.



Did you know:

BIIA covers this subject on a regular basis on the BIIA Website at [Cyber Security](#)

BIIA has a contributing editor on the subject of [Cyber Security Intelligence](#). Please read his regular contributions

This includes an umbrella of potential misdeeds, ranging from bribery to **cyber-attacks** enabled by patchy IT systems, such as the huge trawl of shoppers' payment-card data stolen from Target, the US supermarket giant, in December 2013. The breach at the most important shopping period of the year caused a crisis for the retailer, which slashed profit forecasts as a result. The initial intrusion was traced back to details stolen from a third-party vendor, which was later the subject of a cyber-attack.

Prosecutors and regulators, meanwhile, are increasingly scrutinizing companies' controls over third parties, telegraphing their interest in the area by deploying tough laws such as the US Foreign and Corrupt Practices Act (FCPA). Alstom, the French conglomerate, for example paid a record \$772m to the US Department of Justice and pleaded guilty to paying \$75m in bribes to government officials to land contracts around the world. Much of this was due to consultants used by the company. Criminal probes are also in train against Alstom in the UK.

The UK has its own Bribery Act, analogous to the FCPA. It allows the Serious Fraud Office to prosecute bribery by a company or its third parties no matter where it takes place. While no corporation has yet been charged under the act, individuals have been convicted.

Financial regulators are also toughening their stance. An IT failure at the Royal Bank of Scotland, which resulted in fines totaling £56m in November, was the result of a technology upgrade that malfunctioned, leading to a backlog of 100m unprocessed payments. The Financial Conduct Authority said that part of the reason it levied a record fine was because the bank had failed to manage IT risks arising from third-party systems.

There is some good news: those companies that do get a grip on third-party governance could outperform more shoddy rivals by as much as 5 per cent return-on-equity, Deloitte estimates. This translates to as much as an uptick in earnings of £350m for the largest publicly traded companies in the world.

Source: [Financial Times](#)

NEWS FROM RUSSIA

Public Sector Information in Russia: Filing of Consolidated Financial Statements



The preparation and filing of consolidated financial statements is governed by the Federal law No. 208-FZ “About consolidated financial statements” as of 27th July 2010 in accordance with International Financial Reporting Standards (IFRS).

The Russian legislator is setting standards related to the preparation of consolidated financial statements in accordance with the IFRS. The objective is to make Russian corporations more transparent and attractive to foreign investors. Information about basic principles of financial statements filing in Russia:

- Financial statements have to be filed with the **Federal Taxation Service (FNS)** and the **Federal State Statistics Service (Rosstat)**. Since 2014 the format of filing is electronic.
- Filing with the Federal Taxation Service (FNS) is governed by Federal Law No. 402-FZ as of 06th November 2011 “About accounting”, which stipulates the frequency of filings:
 - Quarterly (for internal accounting only),
 - Yearly: It is an obligatory requirement to file financial statements with the Federal Taxation Service (FNS). The filing is treated as a commercial secret; not accessible to the public.
 - Financial statements filed with the Federal State Statistics Service (Rosstat) are made available to the public for a fee; on-line is not available.
 - Compliance: Corporations failing to submit financial statements, or submit such statements incomplete or containing errors, a fine of maximum EUR 80 will imposed. Rosstat recently drafted new regulations with the intent to increase the fine by tenfold for failing to submit financial statements to Rosstat.
 - Since 2013 small companies with a low asset base are also obliged to file financial statements but in a simplified way.
 - Financial entities file their accounts with the Central Bank of the Russian Federation
 - Sole traders, branches, representative offices, government and budget entities, the Central Bank of the RF are exempt from filing with Rosstat
 - According to the Federal Law No. 129-FZ as of 21st November 1996 “About accounting”, Article 16, data of financial statements are to be published in papers and specialized editions and particularly are to be filed with the Rosstat which makes it open on requests. Thus, information companies are entitled to process and distribute financial statements, which are available as data files, because they were initially provided by the official state body
 - There is no official ban on foreigners to having access to financial statements of Russian corporations, but requests from abroad will probably be taken up individually

As of 2014 the number of entities required to prepare, submit and publish consolidated financial statements in accordance with IFRS, was significantly expanded. They include:

- Credit institutions of any legal structure
- Insurance companies (except health insurance companies, operating exclusively in the field of obligatory health insurance)
- Non-state pension funds

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NEWS FROM RUSSIA

Public Sector Information in Russia: Filing of Consolidated Financial Statements

Continued from the previous page

- Management companies of investment funds, mutual funds and non-state pension funds
- Clearing houses
- Federal state unitary corporations (the list is approved by the Government of the Russian Federation)
- Open joint stock companies with state shareholding (the list is approved by the Government of the Russian Federation)
- Other listed entities including joint stocks which securities are admitted for exchange trading

Methods used for the consolidation of financial statements depends on the shareholdings of the parent company. For subsidiaries with a majority ownership (share:50 or more) the 'Purchase' method is to be used. For associated companies and joint ventures (share: 20% up to 49%) – the 'equity' method is to be used. Some requirements are common regardless of the chosen method: statements of parent company and associated company must be prepared as of the same accounting date and must comply with the unified accounting policy IFRS.

Financial statements of Russian companies as well as company credit reports can be requested off-line or obtained on-line from the Information and Analytical System Globas-i® developed by Credinform (Russia). <http://www.credinform.ru/en-US/globas>.



ANALYTICS

U.S. Credit Industry Performance Metrics More Accessible

Time Series Credit Information Makes Highly Desired Metrics Feasible: The production of relevant credit industry performance metrics from U.S. consumer reports has been a capability generally neglected by the top U.S. CRAs. For decades, especially since “the Great Recession”, benefactors of credit industry performance measures have attempted to secure industry level loss curves and other meaningful portfolio and vintage performance metrics from consumer credit reports with little success. Primarily attributed to data limitations, the generation of highly focused performance metrics is cost prohibitive, complex and arduous process, until now.

Elimination of Credit Archive Processing Makes Loss Metrics Economical: Until recently, the creation of the aforementioned metrics required processing vast amounts of consumer credit files from multiple archived credit bureau snapshots which then needed to be linked together to create a time series at the consumer level. To produce time series information for balance and credit limit amounts accounts of interest where needed to be identified from each period within the time series consumer credit file and piecemealed together using complex account matching programs. This was a lengthy and expensive process. For example, the creation of a 48 month loss curve on a small sample of consumers would require matching and interrogating 48 monthly archives to produce basic loss curve components, easily costing the end user hundreds of thousands of dollars. The recent availability of account level balance, credit limit and payment time series amounts on U.S. consumer credit reports eliminates the need to access archived credit files and the necessity to link account level histories across a time horizon. *To be continued on next page*

ANALYTICS

U.S. Credit Industry Performance Metrics More Accessible (continued from previous page)

Acute Credit Analysts Can Fill in the Missing Pieces: Although the process to obtain time series consumer credit information on a sample of consumers or account holders has been simplified at each of the U.S. CRAs there are a few missing ingredients to create a standardized, turnkey process to generate credit industry loss metrics. Analysts with an intimate understanding of consumer credit report information are needed to develop rules and program software that identifies, selects and organizes (or as I prefer to say “calendarizes”) tradeline level information by account origination date, delinquency status and product or industry classification which is then summarized to yield meaningful performance metrics over a portfolio’s or vintage’s life cycle.

Who will take the Initiative? The intimate understanding of consumer credit reports necessary to develop the rules and software to accurately identify, select and organize tradeline level information, which is the key to unlocking this the new rich data source, is understood by a handful of stakeholders. Analysts at CRAs, lenders of significant size and third party analytic companies have the knowledge and skills to develop the rules and software necessary to compute these statistics, each having a different motivation to perform this function. Lenders stand to benefit from having their own proprietary performance software; customized software will better meet their own unique needs and would minimize data fees to CRAs and prevent third party analytic royalty fees. Third party analytic companies benefit by enhancing their product and service capabilities. But CRAs may have the most motivation.

A Defining Moment for U.S CRAs: It appears that CRAs stand to benefit the most from creating a “soup to nuts” standardized process to leverage this new information. The offering of industry and lender specific performance loss metrics is a golden opportunity for U.S. CRAs to further entrench themselves as an analytic and value added service provider to a broader audience of stakeholders that find value in summarized portfolio and industry performance measure. An offering of this nature protects and enhances future data revenue streams and stands to increase future analytic revenue streams.

Because lenders and third party analytic providers, that support lender activities, have access to anonymous consumer credit information either party could easily develop proprietary software to create this same information. Unless U.S.CRAs act quickly, their idleness may relegate themselves lower in the “value added food chain” as merely data providers, stifling the possibility of future revenue streams.



About the Author: Chet Wiermanski is one of BIIA’s contributing editors writing on the subjects of credit scoring and decision systems. He is a Visiting Scholar at the Federal Reserve Bank of Philadelphia researching new applications of consumer credit report information. Additionally, Chet is Managing Director of Aether Analytics which specializes on leveraging hidden data sequences and time series components within consumer credit information typically ignored by traditional credit bureau based solutions. Previously Chet was the Global Chief Scientist at TransUnion LLC. Holding a variety of positions within TransUnion, during his tenure, between July 1997 and February 2012, he was responsible for identifying, evaluating and developing new technology platforms involving alternative data sources, predictive modeling, econometric forecasting and related consulting services.

