



# CREDIT INFORMATION FOR SME'S. THE SPANISH CASE

## FINANCIAL INFRASTRUCTURE WEEK

Carlos Fernández Iñigo (Deputy General Manager)

Istanbul, September 4 2015

1. **INFORMA D&B. Who are we?**
2. **Spanish Companies Landscape**
3. **Spanish companies situation in the last years**
4. **SME Finance. Where does the money come from?**
  - a) **OWNERS**
  - b) **BANKS**
  - c) **PROVIDERS**
5. **Credit information in Spain. Situation report**
6. **Credit information in Spain.  
Opportunities and Challenges**



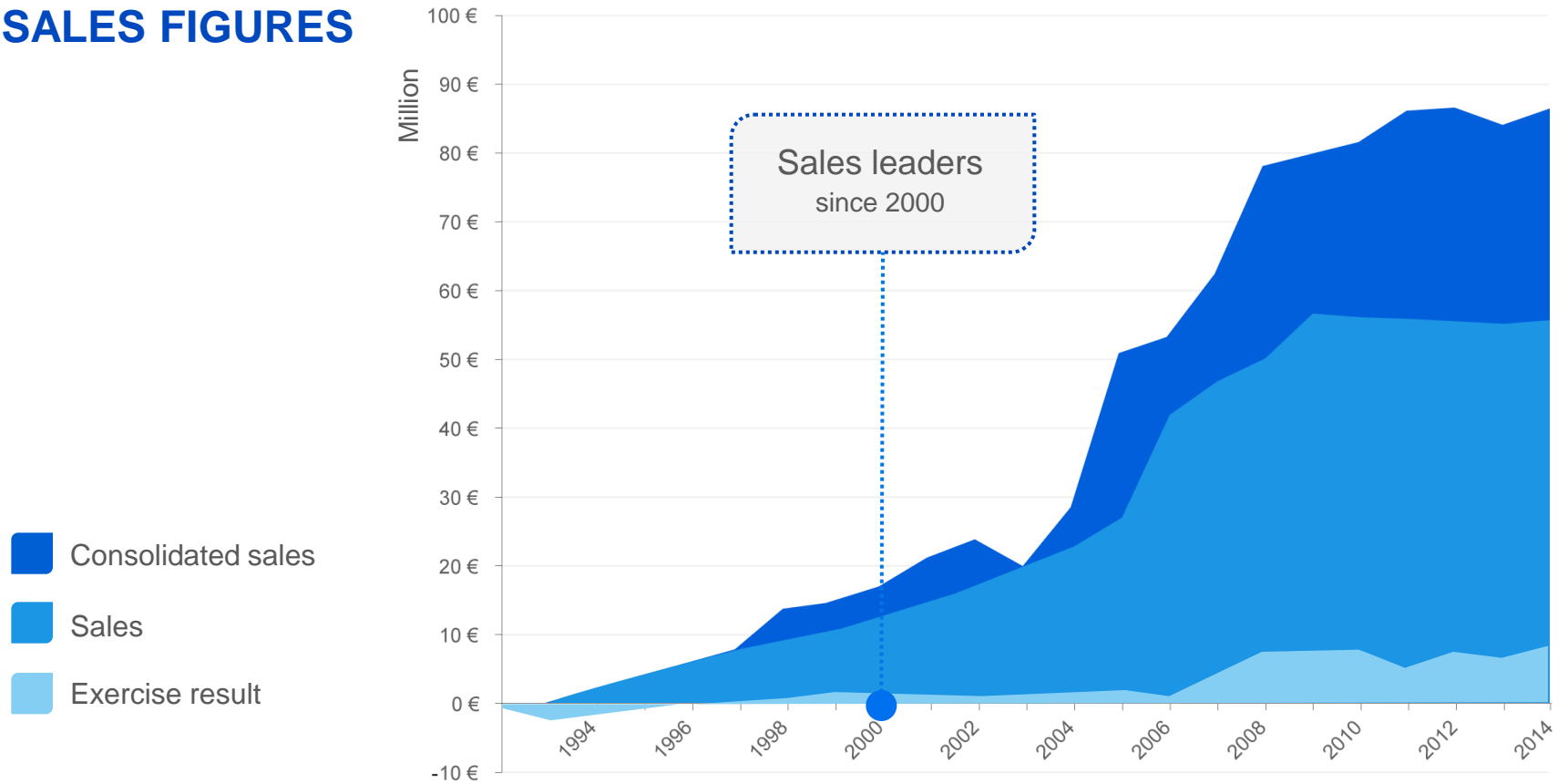


**INFORMA D&B** is a market leader in the supply of Commercial, Financial, Sectorial and Marketing Information, in order to increase clients' and suppliers' knowledge and minimize business risk.

We are present in Spain, Portugal and Colombia. And we are members of Dun & Bradstreet World wide network

**Business Information Service for winning, analysing and managing clients.**

# SALES FIGURES

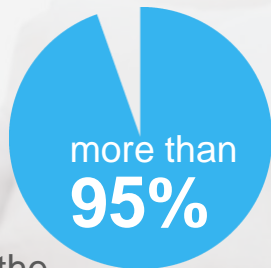


## THE MOST USED INFORMATION

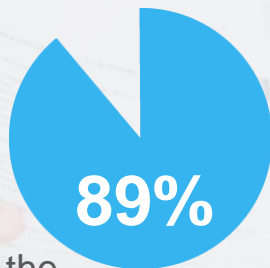


**3 million**  
users

**30 million**  
pages visits per  
month



of the  
financial entities



of the  
Ibex35 companies



# DUN & BRADSTREET WORLDWIDE NETWORK

dun & bradstreet  
WORLDWIDE NETWORK

**140**  
million  
executives

**240**  
million  
companies

**D-U-N-S®**  
NUMBER

**181**  
currencies

**41**  
million payment  
experiences in  
Europe

**95**  
languages

**214**  
countries



# WHAT WE OFFER



Business information about your suppliers



Finding and getting to know companies and their managers



Establish customers' purchasing potential



Classify new clients



Study competitors' positioning



Being continuously informed on the situation and evolution of clients, suppliers and prospects



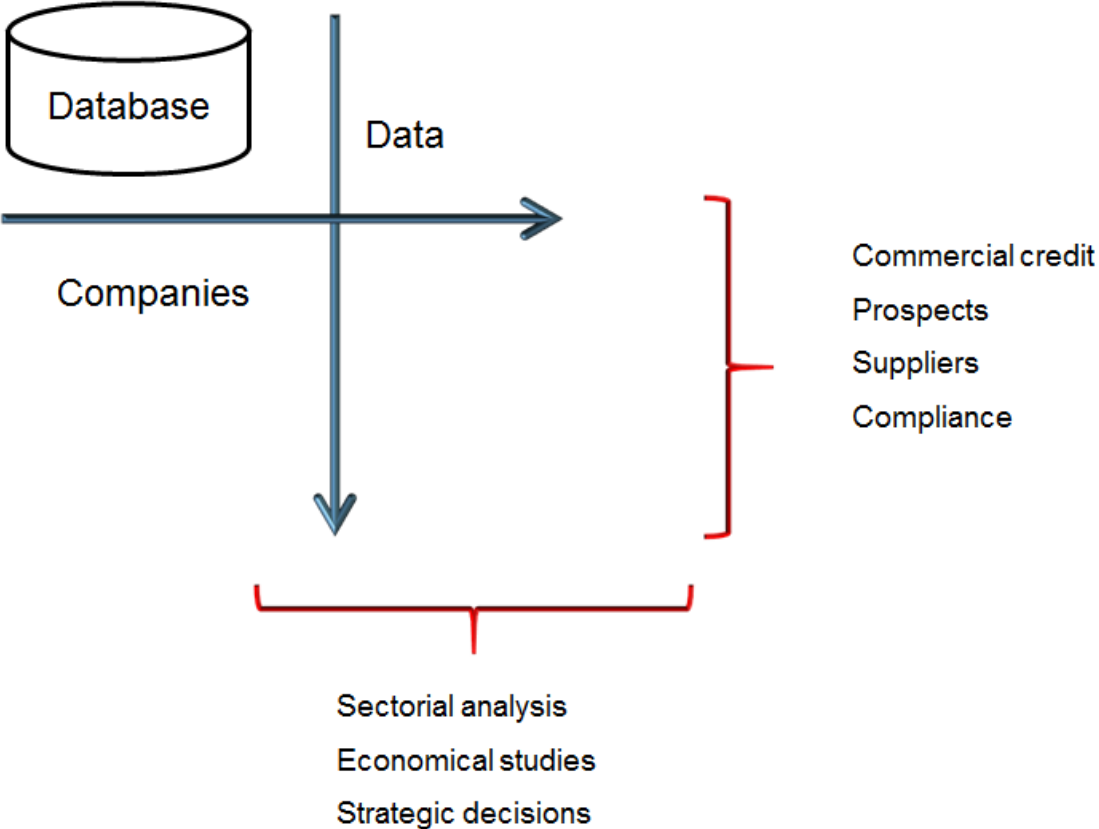
Study credit levels and payment delays

Y=Yo-r\*math.cos(alfa)  
Z=Zc-r\*math.sin(alfa)  
k=Position("shatur\_storka\_group",Xg,Yg,Zg)  
E=math.sqrt((Yg-Ye)\*(Yg-Ye)+(Zg-Ze)\*(Zg-Ze))  
k=math.atan((Yg-Ye)/(Zg-Ze))  
E=math.atan(EP\*EF+EG\*EG-FG\*FG)/(2\*E\*EG)  
k=math.atan(EP\*EF+EG\*EG-FG\*FG)/(2\*E\*EG)  
k=math.atan(EP\*EF+EG\*EG-FG\*FG)/(2\*E\*EG)



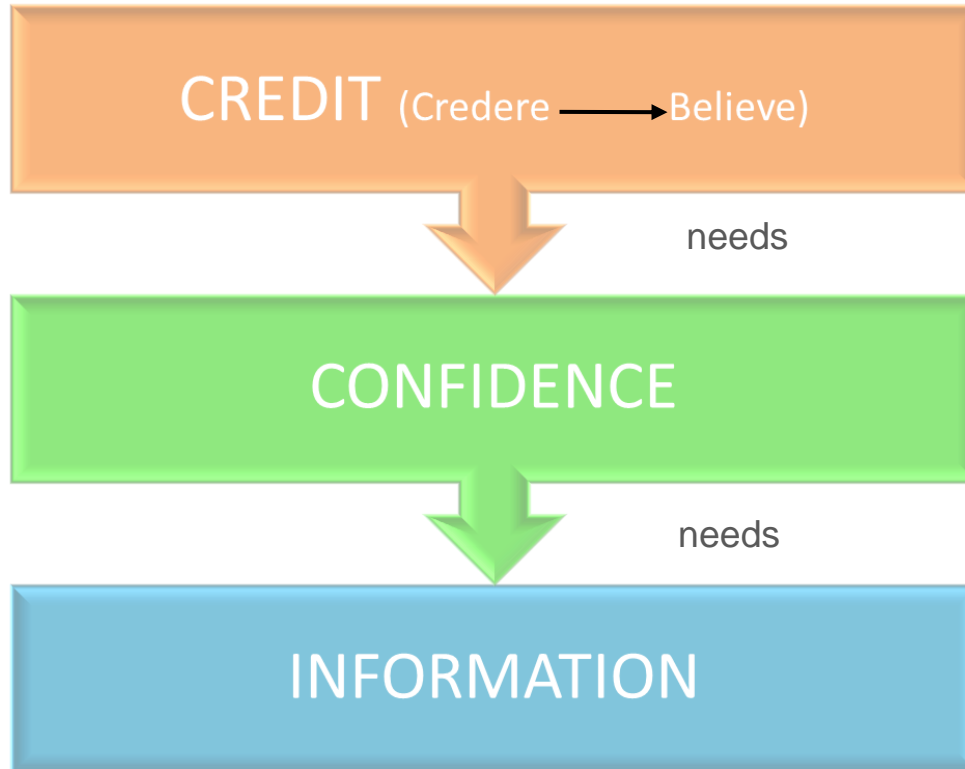
-0.116939	-0.174295	-0.233323	-0.284602	-0.336713	-0.388261	EG	32.67622	ks=Position("shatur_storka_group",Xg,Yg,Zg)
-0.119096	-0.175435	-0.231429	-0.286951	-0.339711	-0.391223	EF	36.11495	E=math.sqrt((Yg-Ye)*(Yg-Ye)+(Zg-Ze)*(Zg-Ze))
0.683398	0.659767	0.635211	0.610331	0.585278	0.560111	EP	47.994	math.atan((Yg-Ye)/(Zg-Ze))
0.683185	0.650479	0.633913	0.610331	0.585278	0.561493	FG	40.49	math.atan(EP*EF+EG*EG-FG*FG)/(2*E*EG)
0.682389	0.650174	0.632410	0.609833	0.582615	0.550963	beta	0.8234405	math.atan(EP*EF+EG*EG-FG*FG)/(2*E*EG)
-0.580873	-0.569782	-0.554354	-0.534707	-0.510990	-0.483388	ksi	-0.406038	ks=math.atan(EP*EF+EG*EG-FG*FG)/(2*E*EG)
-0.000088	-0.000133	-0.000176	-0.000217	-0.000257	-0.000288	Ye	57.133 Yf	R=SelfRotatle("shatur_storka_group",ksi,0,0)
0.580695	0.569615	0.554002	0.534272	0.510475	0.482794		76.089319	

# CREDIT INFORMATION. WHAT IS IT USED FOR?





# WHY A CREDIT INFORMATION PROVIDER IS NEEDED?



1. **INFORMA D&B. Who are we?**

## 2. **Spanish Companies Landscape**

3. **Spanish companies situation in the last years**

4. **SME Finance. Where does the money come from?**

a) **OWNERS**

b) **BANKS**

c) **PROVIDERS**

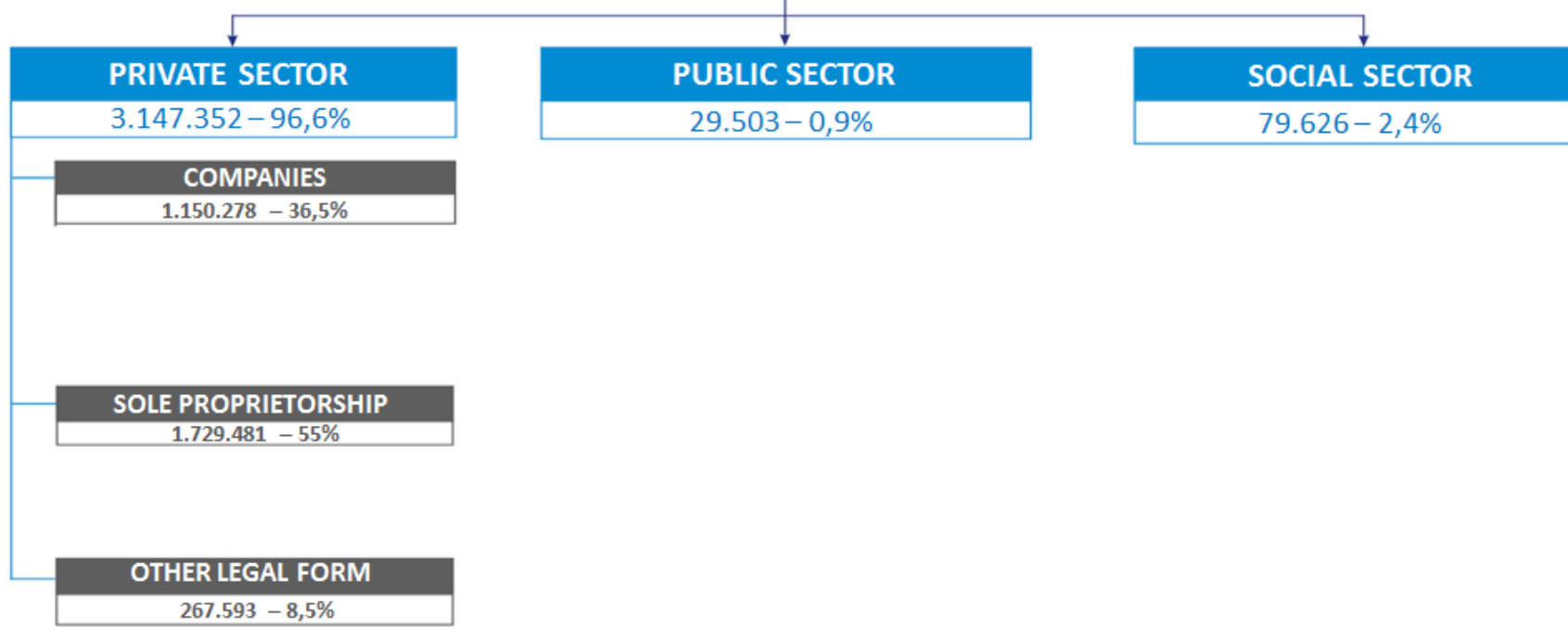
5. **Credit information in Spain. Situation report**

6. **Credit information in Spain. Opportunities and Challenges**



# ACTIVE UNIVERSE (01/07/2015)

3.256.481



# A BRIEF DESCRIPTION OF SPANISH COMPANIES UNIVERSE

## Distribution by number of Employees

Size	Number of Employees	%
Micro	Null or up to 9 Employees	96,16%
Small	From 10 to 49	3,22%
Medium	From 50 to 249	0,51%
Big	More than 250 Employees	0,11%
<b>Total</b>		<b>100,00%</b>

# A BRIEF DESCRIPTION OF SPANISH COMPANIES UNIVERSE

## Distribution by Sales

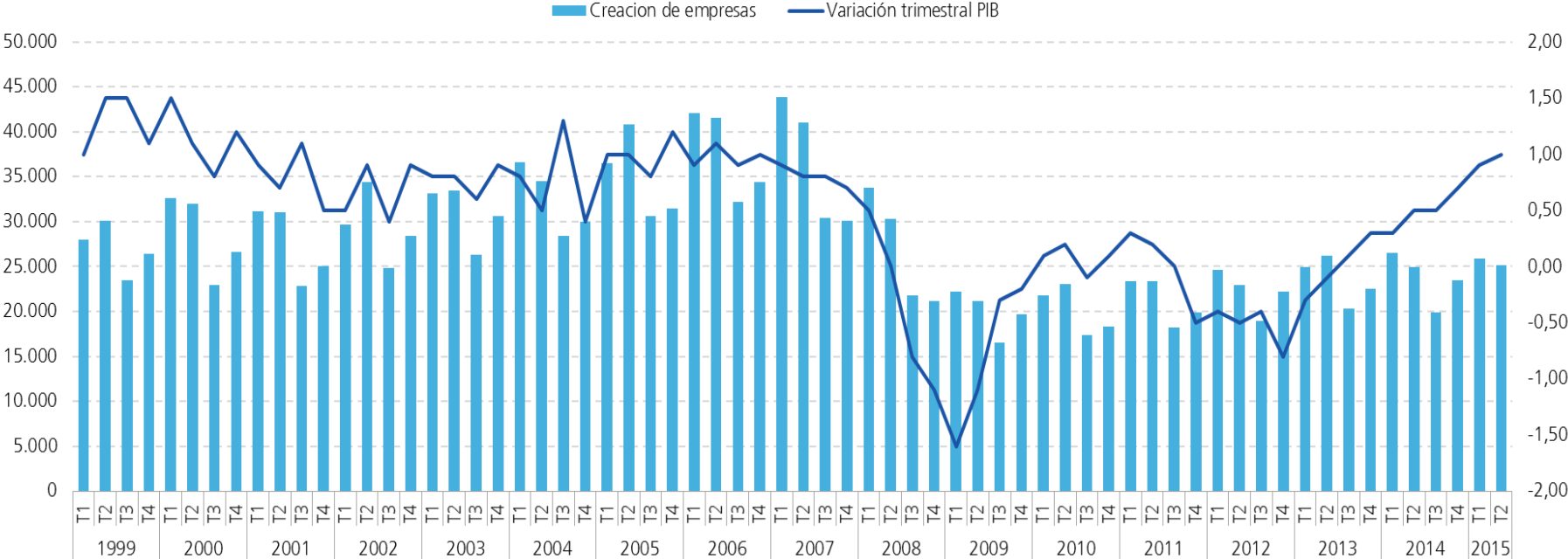
SALES RANKING (In €)	Active Companies
More than 500.000.001	320
Between 100.000.001 and 500.000.000	1.340
Between 30.000.001 and 100.000.000	4.088
Between 6.000.001 and 30.000.000	20.329
Between 3.000.001 and 6.000.000	23.695
Between 1.500.001 and 3.000.000	39.227
Between 600.001 and 1.500.000	89.984
Between 300.001 and 600.000	109.095
Between 150.001 and 300.000	141.971
Between 60.001 and 150.000	182.826
Less than 60.000	301.406
Unknown	2.342.200
<b>Total</b>	<b>3.256.481</b>



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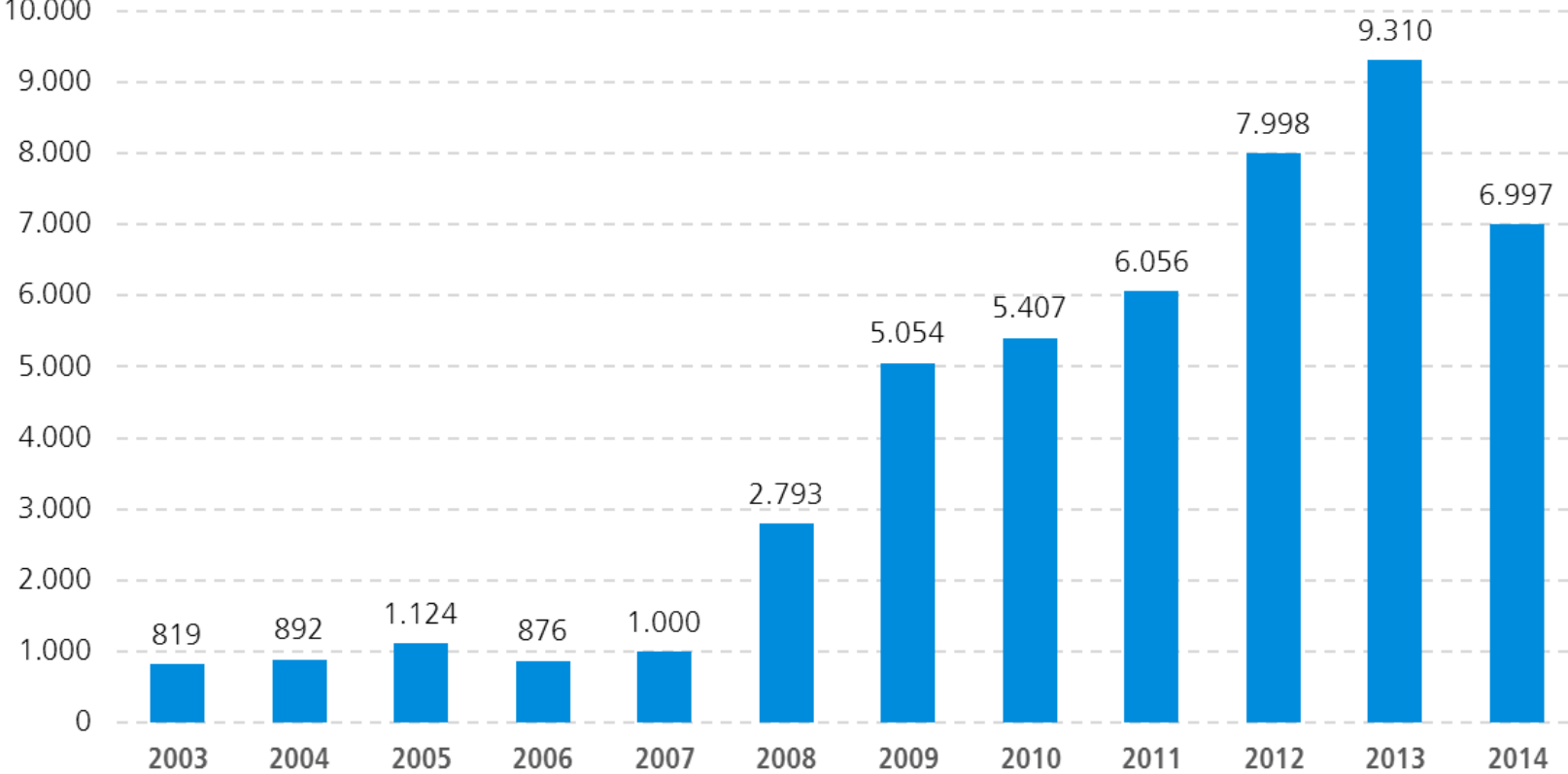


# GDP EVOLUTION/COMPANY CREATION



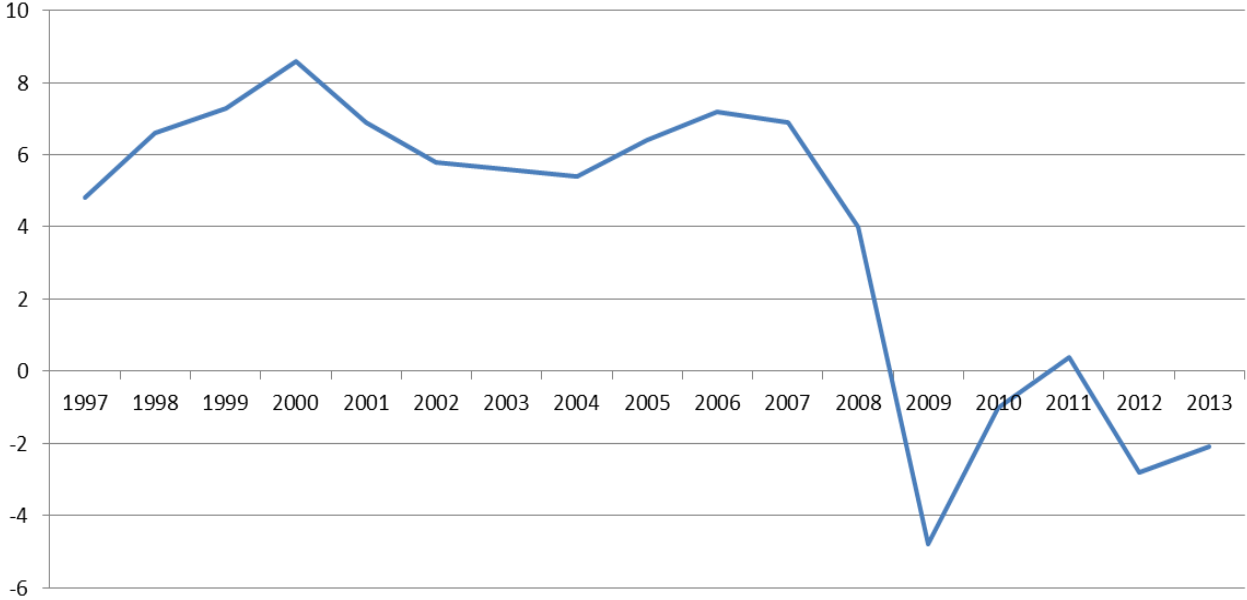
# EVOLUTION OF COMPANIES IN CREDITOR'S MEETING

EVOLUCIÓN DE LOS CONCURSOS DESDE 2003



# LABOUR COSTS

## Year-on Year rates of change



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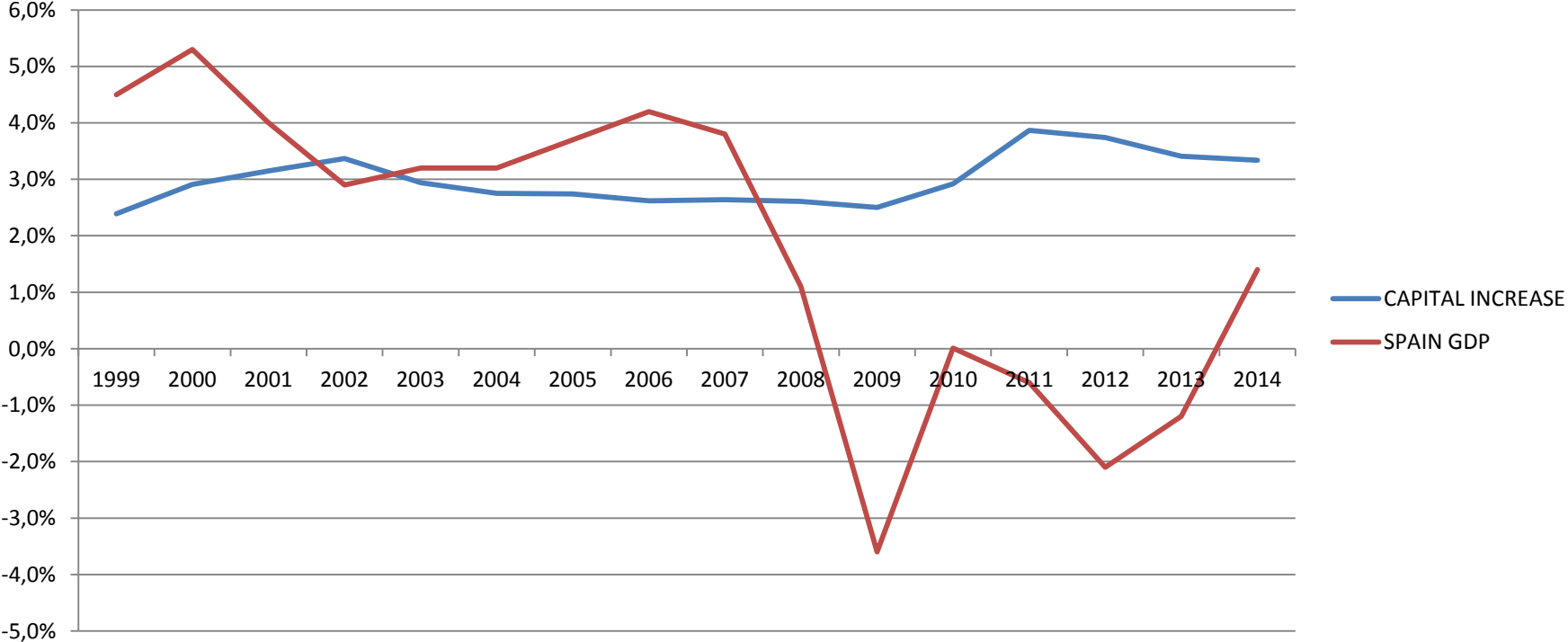




# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## A) OWNERS

### Number of Capital Increases per year vs Spain GDP



# SME FINANCE. WHERE DOES THE MONEY COME FROM?

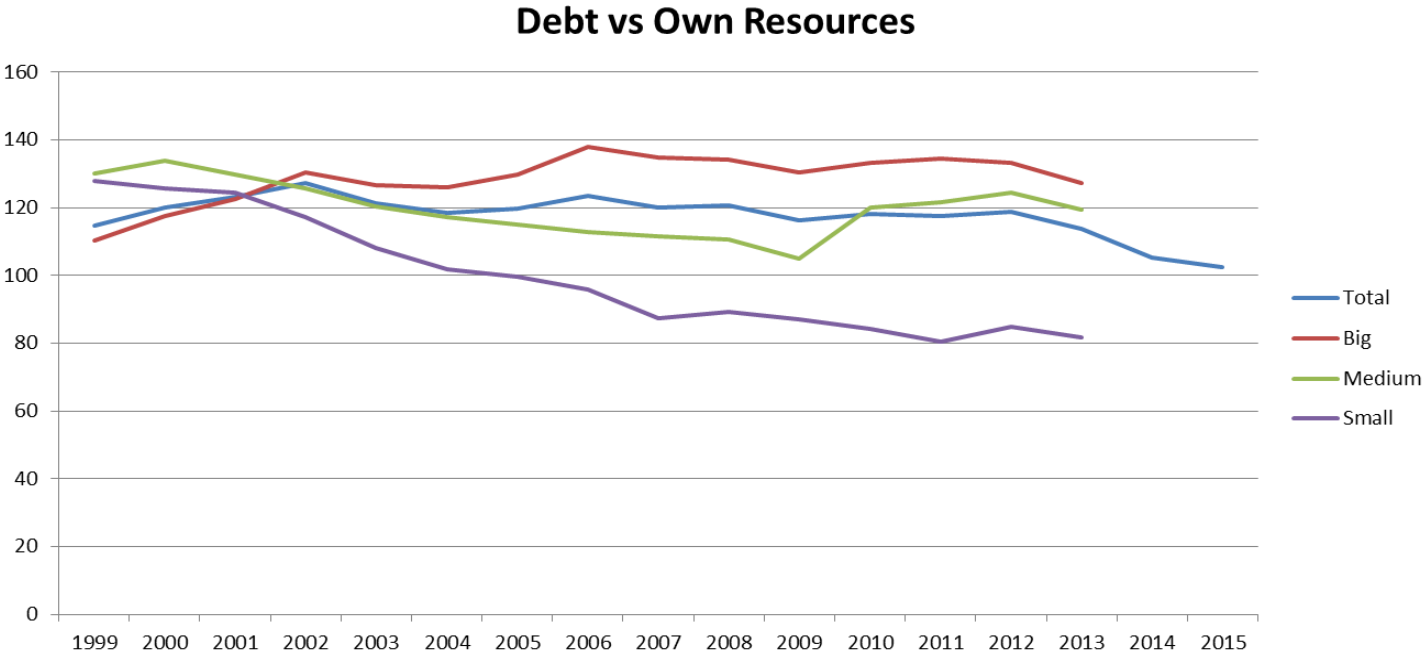
## B) BANKS

- From an steady number of companies with financials available, we can obtain the following data:

	2011	2012	2013	2014
Short term debt with financial inst. (million €)	40,69	41,36	35,32	27,55
Long term debt with financial inst. (million €)	99,94	91,82	75,27	70,09
Financial expenses (million €)	17,57	18,94	18,52	18,46
Percentage of financial expenses from debts	12, 49%	14,22%	16,74%	18,91%

# SME FINANCE. WHERE DOES THE MONEY COME FROM

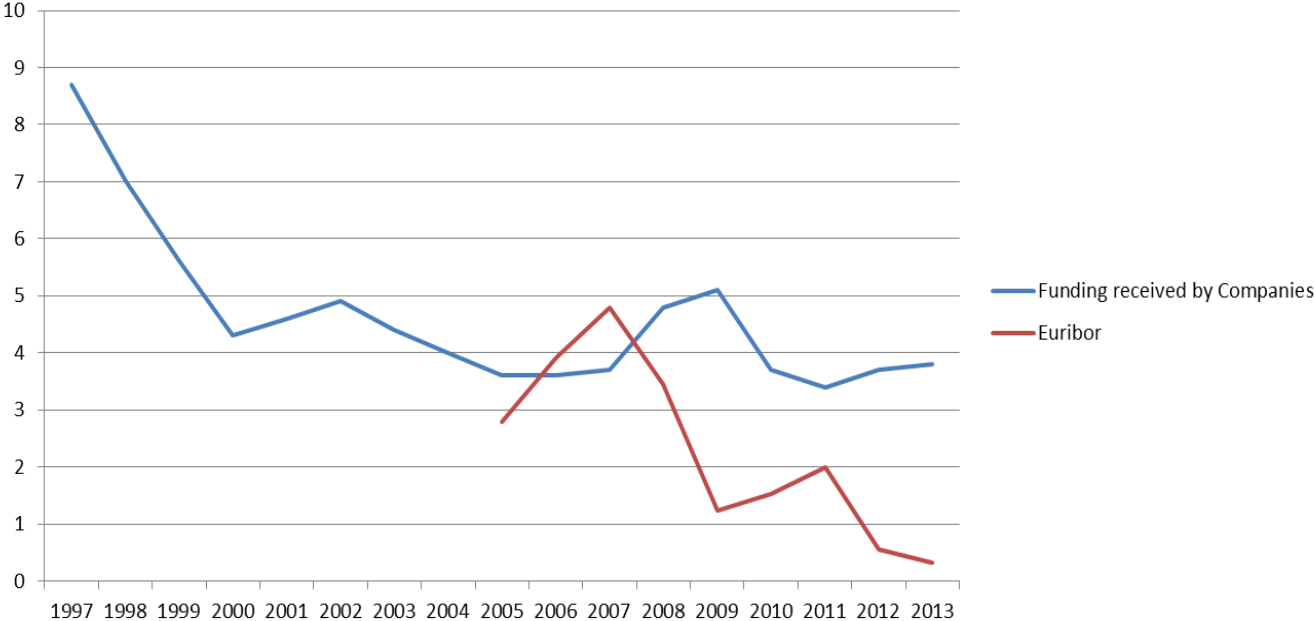
## B) BANKS



# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## B) BANKS

### Interest Rates

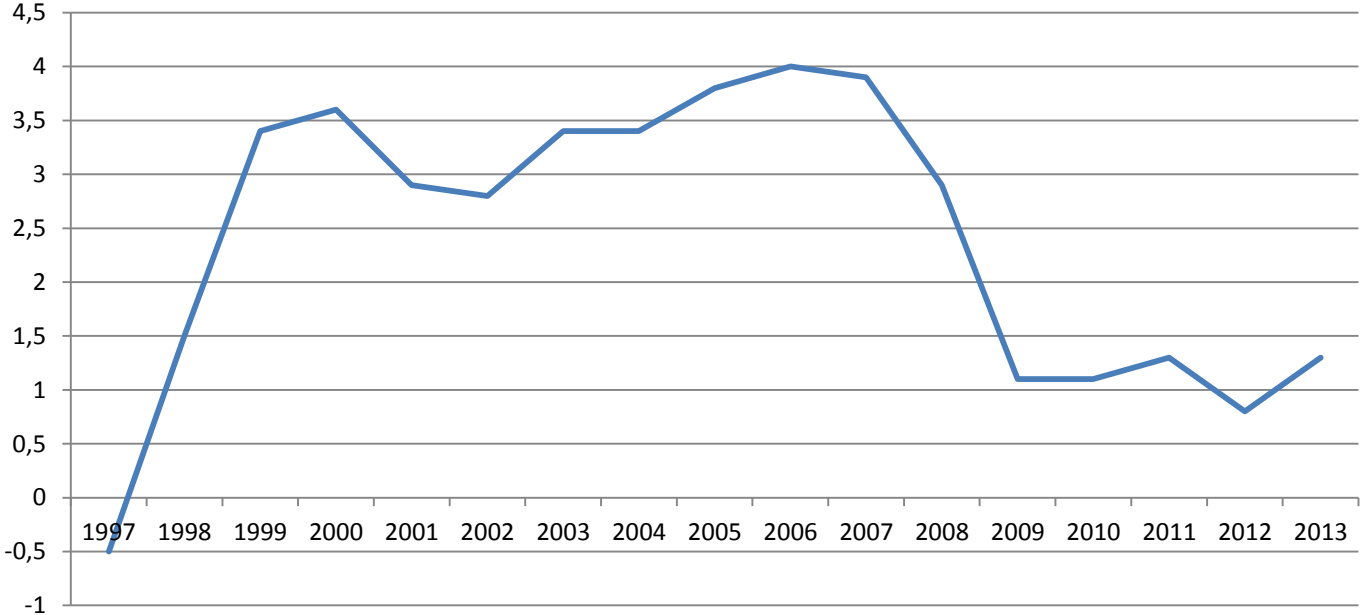


# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## B) BANKS

### Differences in Profitability – Financial Costs

(Profitability-Financial Costs) Ratios



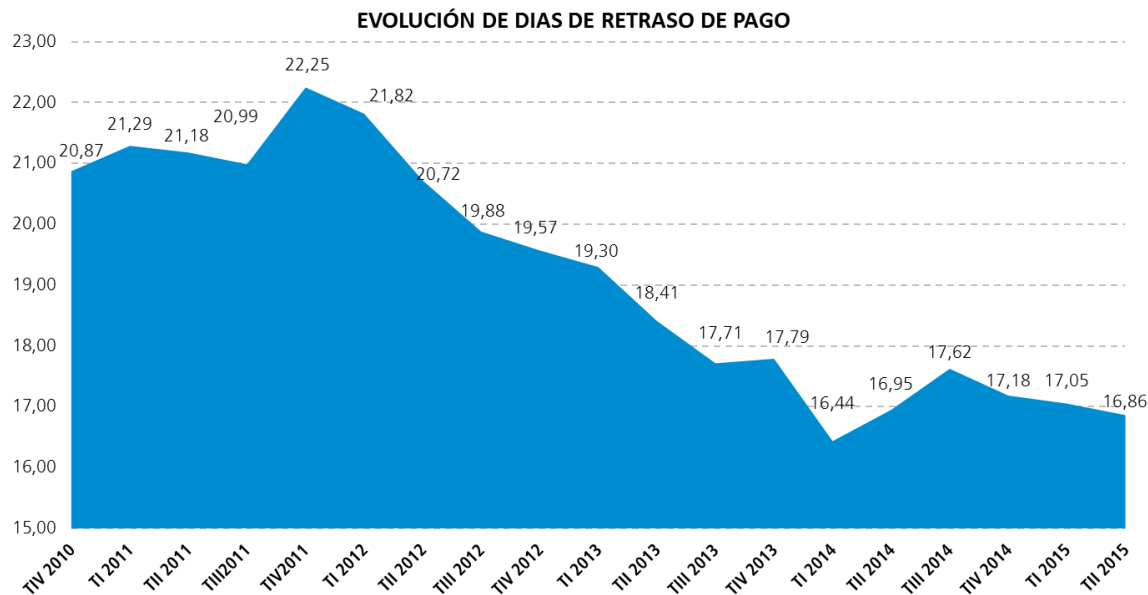


# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## C) PROVIDERS

### COMMERCIAL CREDIT IN SPAIN. IMPACT

	TII 2014	TIII 2014	TIV 2014	TI 2015	TII 2015
<b>Retraso Medio de pagos</b>	16,95	17,62	17,18	17,05	16,86
<b>Plazo medio pactado</b>	74,34	77,12	76,91	77,72	77,99
<b>Periodo medio de Pagos</b>	91,29	94,75	94,10	94,78	94,85

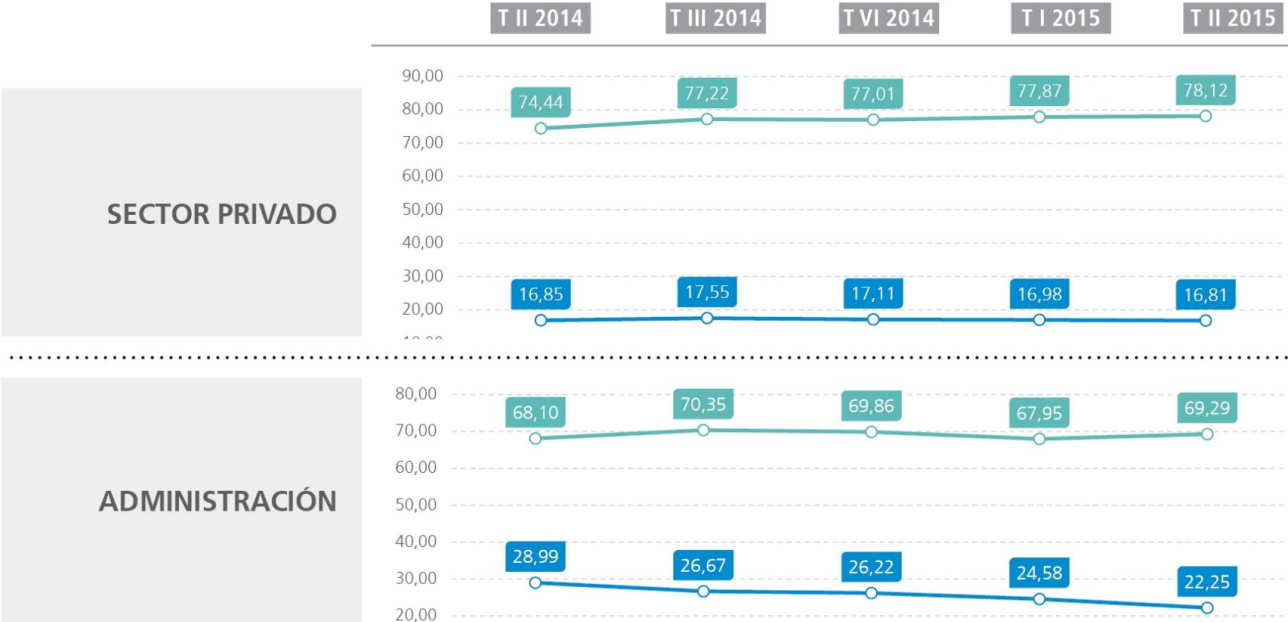


# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## C) PROVIDERS

### EVOLUCIÓN DE LOS PLAZOS DE PAGO

Retraso medio de pagos      Plazo medio pactado

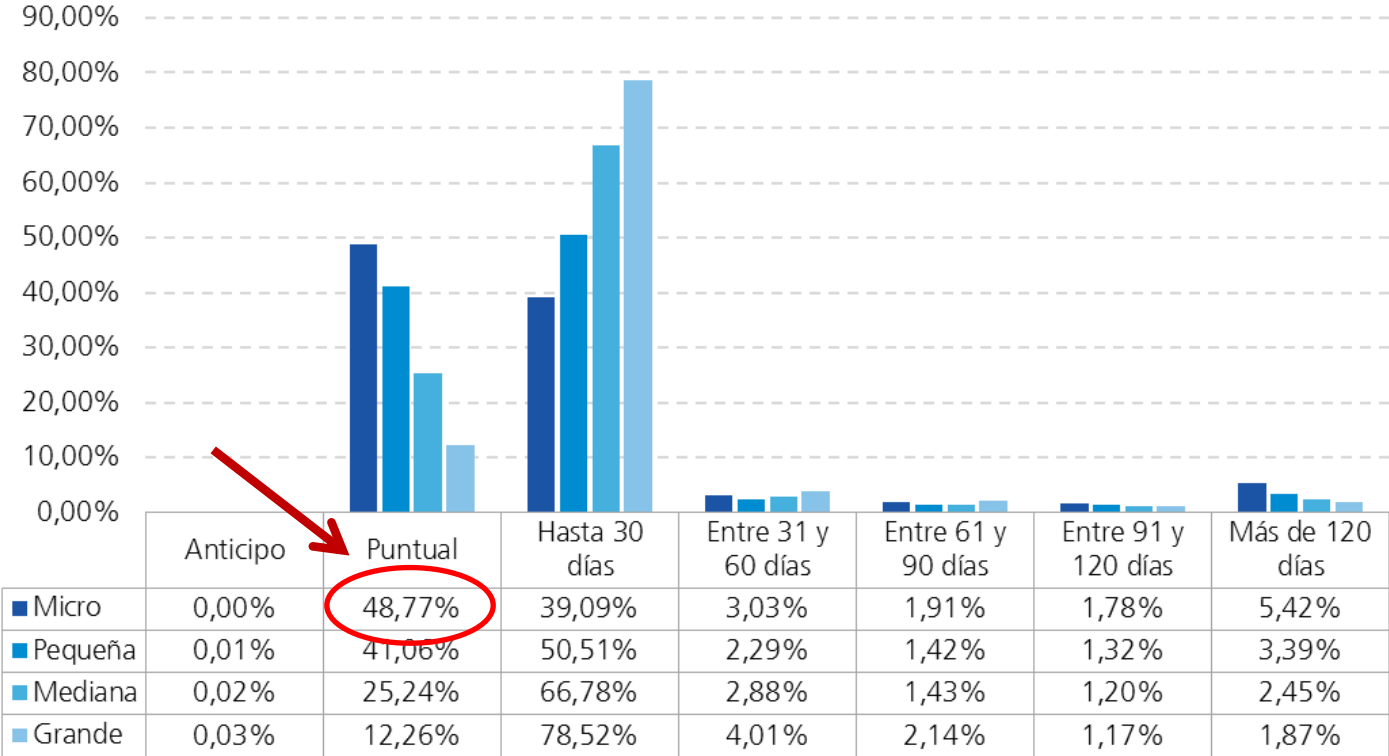


Source: INFORMA

# SME FINANCE. WHERE DOES THE MONEY COME FROM?

## C) PROVIDERS

COMPORTAMIENTO DE PAGOS SEGÚN TAMAÑO DE EMPRESA



Source: INFORMA

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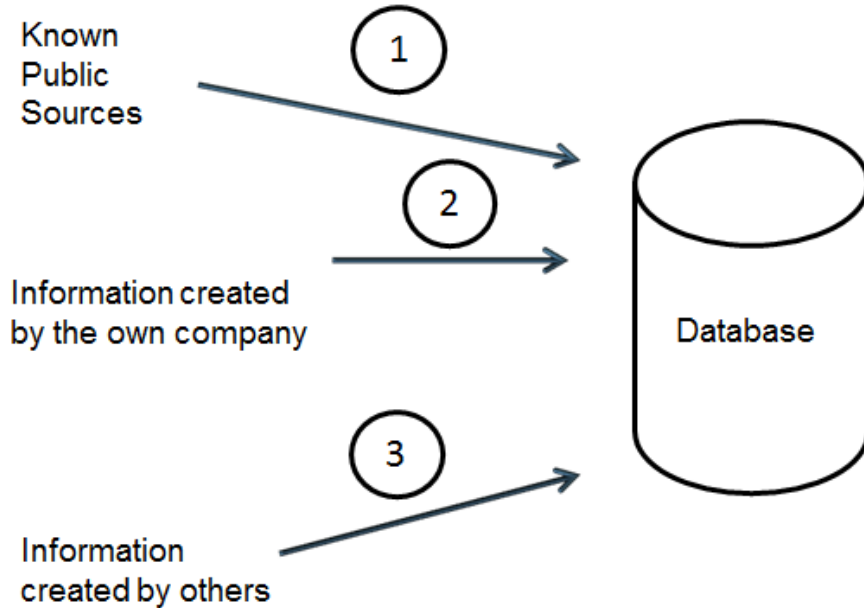
### **Situation report**

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# CREDIT INFORMATION. BASIC DESIGN AND MAIN GAPS

## Where does our information come from?

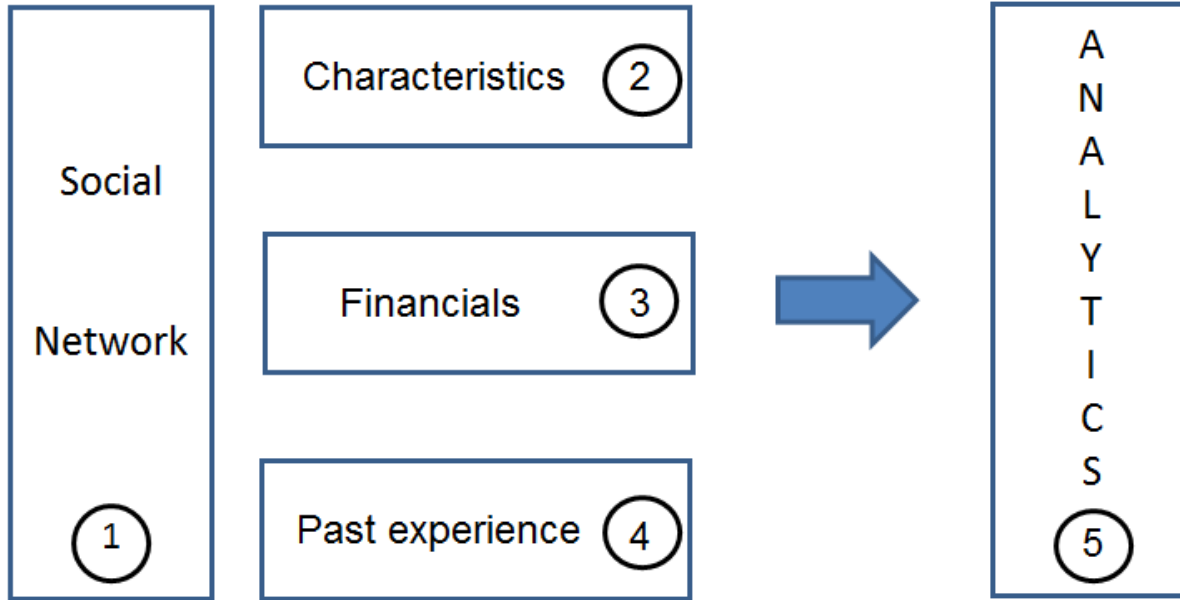


### Main Challenges

- Accuracy
- Different information timings
- Entity matching
- Inputs #2, and specially #3, are growing exponentially with different sources and formats

# CREDIT INFORMATION. BASIC DESIGN AND MAIN GAPS

- Our information can be seen in 4 main pillars and one component:



## CREDIT INFORMATION. BASIC DESIGN AND MAIN GAPS

- How good is Spanish information in order to fill these blocks?

	①	②	③	④	⑤
Mercantile Societies (S.A-S.L.)	Good	Very Good	Very Good	Good	Good
Sole Proprietors and Rest of Legal Entities	Non Existing	Medium	Non Existing	Poor and Risky	Based on Consumer Credit Proxies

# CREDIT INFORMATION. BASIC DESIGN AND MAIN GAPS

- Main information gaps

	①	②	③	④
Mercantile Societies (S.A-S.L.)	More linkages in Public Repositories	More Public Sources (Social Security) Activity/Inactivity indicators	Timing	More information Public Administration is reducing its publications in certain areas, while expanding in some others
Sole Proprietors and Rest of Legal Entities	Ownership disclosure	Good universe	Basic figures	Access to Credit Bureau Files



## OUR NATIONAL DATABASE



**6.4**  
**million**  
national  
economic  
agents

**2.4**  
**million**  
corporate links

**3.4**  
**million**  
companies and  
active sole  
proprietors with  
rating

**13.2**  
**million**  
administrators  
positions

**11.8**  
**million**  
companies'  
balance sheets

More than  
150,000 data  
updated on a  
daily basis.

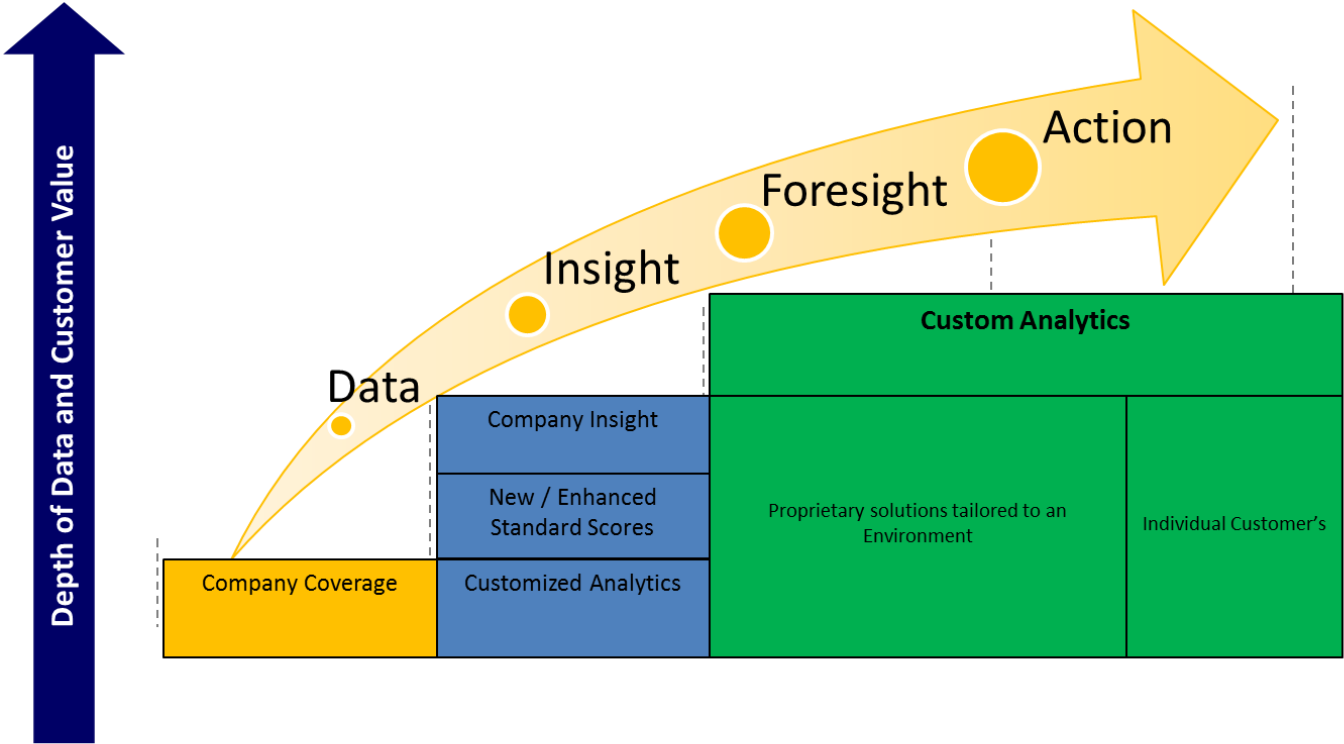
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## NEW TRENDS IN INFORMATION ABOUT SMES

- How to exploit Big Data
  - ✓ Signals (small pieces of information that join together to provide more insight)
  - ✓ Proxies (pieces of information that, under certain circumstances, can behave similar to a relevant one)
- Social Network
  - ✓ Management Competence
  - ✓ Payment History
  - ✓ Part of a bigger group?
- Credit File created by the own company

# OUR CUSTOMERS REQUEST US TO MOVE FROM JUST INFORMATION INTO REAL INSIGHT...



*We see this as a mean to shift from insight...to actionable foresight*

## CUSTOMER REQUESTS

- Improve the quality of Scores
- Introduce the concept of Reputation
- Real Time predictors (rapid changes)
- Value Added Data
- Merge with own data in online mode
- Scores modified by own risk policies

# INFORMA

Información de Empresas  
www.informa.es

Customer service:

✉ [customerservice@informa.es](mailto:customerservice@informa.es)

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WORLDWIDE NETWORK

CESCE  
El valor del crédito 