BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II - 2017

June II - 2017 Issue

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

LATE BREAKING NEWS: BIIA 2017 Biennial Conference

Program Update: Meet our Fintech Discussion Panel

Dr. Karndee Leopairote
Managing Director
C asean

We have updated our program. There are now less than 30 days for taking advantage of the 'Early Bird Booking'. Please register now!

Fintech: BIIA and the Thai Fintech Association will be producing an exciting session about the future of Fintech in the region and to explore whether there can be a mutually beneficial relationship with this new industry.

This session will be moderated by Dr. Karndee Leopairote, Managing Director of C Asian, a platform for ASEAN networking, exchanging of best practices, and facilitating peer-to-peer discussions at the regional level. We now have an impressive panel in place.

Korn Chatikavanij
Chairman of the Thai Fintech Association, Former Finance Minister of Thailand

Thakorn Piyapan
Krungsri Consumer and Head of Digital Banking and Innovation at Bank of Ayudhya

Melanie Zimmerman
Senior Vice President
TransUnion

Matthew Gamser
CEO SME Finance Forum
International Finance Corporation

Ant Financial to Present a Review of China's Fintech Eco-system at the BIIA 2017 Biennial Conference

A review of China's Fintech Ecosystem – Lending to Individuals, Micro and Small Businesses

China is the largest Fintech market in the world and in the absence of traditional data Fintech companies resort to alternative data sources in conjunction with the state of the art analytics for lending purposes. In this session we hear from **Ant Financial**, the largest Chinese Fintech company, about their experiences and current practices in online lending, the use of alternative and traditional data sources and decision systems.

BIIA has invited Quan Yu, Head of Risk Management for Consumer and SME Finance Group. Quan Yu is responsible for consumer and SME （MYbank）lending analytics (data, modeling, credit policies) for marketing, acquisition, customer management, collection and recovery at Ant Financial.

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

LATE BREAKING NEWS

E-Commerce Platforms Threaten Banking, Credit Information and Credit Insurance

If you wonder why commercial credit information and credit insurance are no longer a growth business, it is recommend to read the following story: http://www.biia.com/why-amazons-growth-in-small-business-lending-threatens-the-banking-system

Many smaller companies are using Amazon and not to forget Alibaba, for marketing, sales, distribution and payment functions. This already has implications on supply chains with the elimination of jobbers, wholesalers, retailers and now banking. Furthermore the power of third party information suppliers will diminish in this new configuration. This has negative implications for business information, credit insurers and the profession of credit management. Amazon's bold moves should not only be a wakeup call for the banking industry, it impacts all current players who had their place in traditional supply chains. Commercial credit information is no longer a growth business and credit insurance is stagnating. A new ballgame is underway.

Salesforce Estimates Market for AI in CRM to Jump from US$7.9 billion in 2016 to US$46.3 billion by 2021

Salesforce [NYSE: CRM] recently announced new research from IDC detailing the economic impact of artificial intelligence (AI) on CRM. AI-powered CRM activities will drive new efficiencies in how companies sell, service, and market, ultimately expected to create more than $1.1 trillion in new GDP impact worldwide and 800,000 net-new jobs by 2021 - surpassing those lost to automation.

AI has impacted nearly every aspect of our consumer lives, redefining how we engage with technology and each other. With the convergence of increased computing power, big data and breakthroughs in machine learning, AI is also poised to transform how people work. While some researchers predict automation driven by AI could impact 49 percent of job activities and eliminate around 5 percent of jobs, new data from IDC suggests AI could also augment and increase the productivity of employees, specifically in CRM-related fields. From predictive sales lead scoring to service chatbots to personalized marketing campaigns, AI could provide every employee with tools to be more productive and provide smarter, more personalized customer experiences.

According to the new IDC White Paper, commissioned by Salesforce, 2018 will be a landmark year for AI adoption. More than 40 percent of companies said they will adopt AI within the next two years. In fact, by 2018, IDC forecasts that 75 percent of enterprise and ISV development will include AI or machine-learning functionality in at least one application. AI-powered CRM activities will cover a large spectrum of use cases and touch almost all facets of an enterprise, including accelerating sales cycles, improving lead generation and qualification, personalizing marketing campaigns and lowering costs of support calls.

Download a full copy of the IDC White Paper, Economic Impact of AI on CRM study at: https://sfdc.co/AI_IDCReport
Source: [Salesforce Press Release]()

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

LATE BREAKING NEWS

BIIA in Action: B20 Issued SME Policy Paper

BIIA participated in the B20 SME Taskforce which concluded its work last year. B20 Germany continued to work on SME issues under a new banner called SME Cross-Thematic Group in which BIIA also participated.

The B20 Cross-Thematic Group has published the B20 SMEs policy paper, which you can find here on the B20 Germany website or under this direct link and which the B20 Cross-Thematic Group has shared with decision-makers and stakeholders. It would be much appreciated if members could distribute and discuss the recommendations with policy-makers and governments, as well as your network/constituency/members.

To download the policy document please click on this link: B20 CTG SMEs_Final Policy Paper_2017-04-12
To download the fact sheet click on this link: B20 CTG SMEs_Factsheet_2017-04-12
To download: B20_Priorities_SMEs_2017-04-11

GDPR: A Well-intentioned Concept Hits the Realities of Implementation

75% of Organizations Will Struggle to Meet EU GDPR Regulations by Deadline, Survey Finds

Varonis Systems, Inc. (NASDAQ:VRNS), a leading provider of software solutions that protect data from insider threats and cyberattacks, released findings from an independent survey probing attitudes towards the EU General Data Protection Regulations (EU GDPR), due to come into effect in May 2018.

The survey, which polled 500 IT decision makers in the UK, Germany, France and the U.S., reveals that 75% of organizations indicate they will struggle to be ready for the deadline. An additional 42% say that it's not a priority for their businesses, despite the **threat of fines which could cost companies up to 4% of global turnover or €20 million** (whichever is greater).

Over 90% of respondents see challenges complying with GDPR by the deadline. Among the top three challenges:

- 55% say they are challenged to meet Article 17, the "Right to be forgotten," where they must discover and target specific data and automate removal when requested by the consumer.
- 52% face challenges to identify personal information on their systems, understand who has access to it and who is accessing it, and know when this data can and should be deleted according to Article 30, records of processing activities.
- 50% struggle with Article 32, the security of processing, which means organizations must ensure least privilege access, implement accountability via data owners and provide reports that policies and processes are in place and successful.

The independent survey on attitudes towards GDPR was commissioned by Varonis and carried out by Vanson Bourne. Respondents were 500 IT decision makers of organizations with 1,000+ employees comprised of 100 respondents each in the United Kingdom, France and Germany and 200 in the United States. The survey was conducted between 17th April and 9th May 2017. ***Read the full survey findings: www.varonis.com/GDPR-survey-2017***.

MEMBER NEWS

Risky Business: Trend of Expanding Strategic Role of Financial Leaders Increases Scope for Mistakes

- **In a recent survey, 97% of UK Financial Leaders say their role has changed over the last three years**
- **Seventy-one percent of respondents believe finance teams under too much pressure to be business protector and growth driver**
- **Over half of respondents (56%) feel board expectations are unrealistic, with 53% admitting reduced resources increase the risk of serious mistakes**
- **Fifty-nine percent of respondents say their role includes more risk and compliance responsibilities and increased focus on revenue-generating activity**

dun & bradstreet

A Silver Sponsor of the BIIA 2017 Biennial Conference

An independent study commissioned by Dun & Bradstreet has shone a light on the complexities of the modern Financial Leader role – highlighting a community under intense pressure to balance traditional accounting tasks with more strategic revenue-generating activities.

Of the 200 UK Financial Leaders surveyed, almost three-quarters (71%) believe finance teams are under too much pressure to be business protector and growth driver and 56% believe their board has unrealistic expectations. Exploring the evolving nature of their role, almost all (97%) financial leaders surveyed say their responsibilities have changed over the last three years. Most pointed to a growing emphasis on strategic responsibility, with 59% revealing their job now includes more risk and compliance responsibilities.

Dun & Bradstreet's Tim Vine, head of Trade Credit for UK & Ireland, explains, "The role of the financial decision maker has transformed over the last few years and, while many (74%) financial leaders feel this has been a positive shift overall, it's still a major challenge. Suddenly, teams who have reduced in size now have to manage a complex dual role – business gatekeeper and revenue creator."

Yet despite their expanding role, 60% of respondents say their team has decreased in size over the last three years. As a result, 53% admit reduced resources increase the risk of serious mistakes being made. Almost two-thirds of respondents (59%) suggest their organisation sometimes rushes through the compliance process to support revenue-generating activity and 55% reveal they feel uncomfortable with the extent to which their business sometimes gambles on risk management.

To meet the expectations of their businesses and fulfil their roles effectively, the majority of respondents (45%) believe data is "extremely important" to make smart decisions and forecasts. The biggest data benefit cited by 43%: helping collate customer intelligence. However, 57% of financial leaders admit their business lacks the ability to access accurate and current data. The biggest barriers respondents see are: a lack of skills (23%), lack of investment in technology (21%) and inaccurate data (20%). As a result, almost two-thirds (65%) admit it's difficult to find and capitalise on strategic opportunities.

About the survey: This quantitative research was carried out in October 2016 by independent research company Censuswide. Responses were gathered from 200 CFOs or Financial Directors from media and large enterprises across the UK.

To download the full report, please visit: www.dnb.co.uk/cfofacingforwardstudy

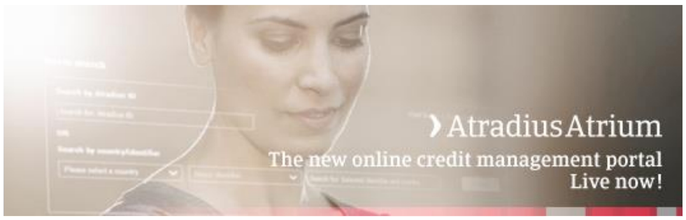
BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

MEMBER NEWS

Atradius Unveils Atrium – A New Online Credit Management Portal



Atradius announced an upgrade to its digital platform with the unveiling of 'Atrium', its new credit management portal. Atrium is an advanced way for business to complete credit insurance transactions creating a new level of service. The Oracle based portal is designed to evolve with digital advancements and user requirements. It is being launched between June 19 and July 15 in Atradius markets around the world.

Atrium has been designed to directly and quickly address the everyday needs of its customers, brokers, agents and account management teams. The buyer centric platform delivers a faster and more efficient user experience focused on applying for cover and filing claims; the services most frequently used by customers. Each Atradius customer can immediately and instantly search for and view information about buyers' creditworthiness, such as buyer ratings, current cover and claims,. Having received a clear picture of the buyer on the buyer details page the customer can directly on this page apply for a credit limit with most required information already included in the application. Credit limit decisions, in most cases, are immediate.

Andreas Tesch Chief Market Officer of Atradius commented, "I am delighted with the launch of our new Atrium customer portal. This new approach and technology is a tremendous timesaver for all and reduces the possibility of errors. Its design enables our customers to constantly monitor and smoothly interact with their buyers and with Atradius. It supports better risk management and growth potential with a clear insight on safer trade for them. In a nutshell, Atrium is a more efficient, user friendly service platform that simplifies a number of account activities and reduces the risk of suffering losses caused by payment defaults. Our customers can essentially check a buyer's creditworthiness during a deal negotiation and have cover approved before the end of the meeting."

More features will be rolled out over the course of the year. In addition to direct access to buyer information and the ability to directly and immediately apply for and receive cover, anticipated benefits for customers include detailed portfolio overviews highlighting trends and events that may impact the policy, direct access to other information relevant to the users business and claims filing in just a couple of clicks.

The specific needs of brokers and agents are also being built into the Atrium tool. This new portal will provide a clear dedicated overview and information to manage multiple policies and customer portfolios.

About Atradius: Atradius provides trade credit insurance, surety and collections services worldwide through a strategic presence in more than 50 countries. Atradius has access to credit information on over 240 million companies worldwide. Its credit insurance, bonding and collections products help protect companies throughout the world from payment risks associated with selling products and services on trade credit. ***Source: Atradius Press Release***

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

MEMBER NEWS

Equifax Releases New Marketing Module on the BusinessConnect Platform

Providing Customers with Impactful Insights to Drive Successful Marketing Decisions

Equifax Inc. (NYSE: EFX) announced the launch of BusinessConnect™ for Marketing, a powerful new module on the BusinessConnect platform that allows organizations to boost their marketing productivity and overall performance by synthesizing organization-wide customer insights into a single, user-friendly resource.

BusinessConnect for Marketing can help increase marketing performance and ROI through the following benefits:

- Improved segmentation with a deeper, more complete view of customers and prospects
- Optimized data, resources, and processes
- Access to vast, market-leading commercial data with unmatched coverage of small and medium businesses
- "Family Tree" functionality to identify leads within existing customer affiliate/legal relationships

What distinguishes BusinessConnect for Marketing from other data management tools is its availability on Force.com as part of the broader BusinessConnect suite application. BusinessConnect is a revolutionary end-to-end solution that offers a seamless, comprehensive customer view to all teams by infusing the order-to-cash optimizing workflows with robust functionality for marketing, customer relationship management, credit and collections. All teams gain real-time access to prospect and customer information from a shared, integrated platform to help organizations target, acquire and retain the best prospects and customers, reduce financial risk, boost overall operating efficiencies and deliver a higher level of customer service and support. ***Source: Equifax Press Release***

Equifax to Acquire ID Watchdog, a Leading Identity Protection and Resolution Services Company

Equifax Inc. (NYSE: EFX) announced an agreement to acquire ID Watchdog (TSX.V: IDW), a leading identity theft protection and resolution services company providing solutions to the Employee Benefits marketplace.

Based in Denver and listed on the Toronto Venture Exchange, ID Watchdog is a leading provider of identity protection and resolutions services with primary distribution through the employee benefits channel.

"ID Watchdog is a respected business with first-class products and services, and strong customer relationships," said President of Global of Consumer Solutions **Dann Adams**. "This acquisition allows us to augment our identity theft protection services and increase our reach into the employee benefits space."

The closing of the acquisition is subject to customary closing conditions and ID Watchdog shareholder approval. The acquisition is anticipated to close in the third quarter of 2017. ***Source: Equifax Press Release***

MEMBER NEWS

US Tech Spending: GDP Growth and Political Uncertainties Limit Spending Growth to About 5% in 2017-18

Forrester predicts US business and government tech spending will continue to grow by 4.8% through 2017 and increase to 5.2% in 2018. While these forecasts are higher than Forrester's projections following the 2016 presidential election, they are lower than the expected numbers from a year ago.

Why the change? Forrester's latest US tech market outlook explains that moderate GDP growth, political uncertainties, and increased cloud adoption are the top three factors constraining US tech growth.

Here are additional key findings from the forecast:

- Tech staff spending will rise by almost 6% from 2017 to 2018, which is slightly up from 2016 (5.7%) but lower than 2015 (6.7%).
- Software will be the fastest-growing category of US tech spending in 2017 and 2018 at over 9%.
- As a result, spending on tech consulting services will reach 6.1% in 2017 and 7.4% in 2018.
- Cloud platform services will continue to grow at 25% to 30% rates in 2017 and 2018, but these investments are cannibalizing traditional tech outsourcing spending, which will only grow at 2% to 3% over the next two years.
- Hardware spending will remain low in 2017 with a growth rate of 1%, but there will be an uptick in 2018 leading to 4% growth in overall spending.

Source: Forrester Press Release

Cortera and LexisNexis® Risk Solutions Team to Provide Lenders with Better Information to Determine Small Business Creditworthiness

LexisNexis® Risk Solutions, a data and analytics company, announced that its robust suite of small business credit risk assessment products will soon incorporate trade credit from Cortera, the leading aggregator of business-to-business trade credit. It sources trade credit from more than 40 industries, including manufacturing, medical & lab supplies, food and beverage as well as transportation.

Business-to-business trade credit is a reliable reflection of the financial health of the company-supplier relationship, where spending and payment behavior are indicators of small business creditworthiness.

Lenders and credit managers will soon have access to small business credit scores, credit reports, risk attributes, and other solutions that incorporate Cortera business-to-business trade credit with LexisNexis Risk Solutions business and consumer alternative data. Additionally, versions of these products will be available for Small Business Financial Exchange Inc. (SBFE®) Members that include SBFE Data™. The combination of these three data sets gives lenders and credit managers more robust predictive insights than other solutions. With the holistic view across small businesses' bank credit, trade credit, and alternative data profiles, lenders can decision more loan applications, set terms accurately and bank small businesses earlier in their lifecycle. ***Source: LexisNexis Risk Solutions***

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

NEWS FROM CHINA

Alibaba Makes Its First FinTech Investment In Hong Kong

Alibaba has expanded its investment portfolio in Hong Kong and has chosen Qupital to be its first FinTech investment in the city.

Qupital has just secured a seed investment round of $2 million, led by MindWorks Ventures and Alibaba Entrepreneurs Fund, with co-investment from DRL Capital, Aria Group and several other investors. The funding will be used to enhance its technology platform and also to facilitate expansion in the region.

Cindy Chow, Executive Director at Alibaba Entrepreneurs Fund, commented about the investment: “We are happy to see Qupital continue to help other entrepreneurs in Hong Kong and it is an exciting time to be part of the growing FinTech ecosystem.”

About: Qupital is an online invoice trading platform. We are able to help businesses raise funding against their unpaid invoices in 24 hours or less. If you are a Hong Kong company selling to businesses using open account trading, then we can provide access to financing. Accessing cash when you need it the most is critical for the success of any business, especially startups and SMEs. Qupital's aim is to address this problem. ***Source: Forbes***

Alibaba Turns to Blockchain in Fight Against Food Fraud

Alibaba has teamed up with PwC to develop a system to reduce food fraud using blockchain tech.

The Alibaba Australia project, which also includes AusPost and nutritional supplement maker Blackmores as partners, is aimed to improve the way foods are tracked, cutting down on the risk of counterfeit products on the market. The so-called 'Food Trust Framework' effort will see the partners build a pilot blockchain platform in Australia that will track products from producer to consumer. "This will include the development of a pilot blockchain technologies solution model for vendors to be utilized by participants across the supply chain," Alibaba said in a statement recently.

According to ZDNet, Alibaba said the blockchain platform would allow shipments to be tracked in real-time, as well as improving security and transparency in the fight against fraud. Food fraud has increasingly become an issue, especially in Alibaba's home nation of China. The new initiative is being seen as a testbed for solutions to the issue that has cost lives in the country and elsewhere. The move may also bolster Alibaba's reputation following accusations that its online marketplaces are rife with counterfeit goods.

Source: Coindesk

You may also want to read: Blockchain for Pharmaceutical Transactions

Also relevant: Transparency in sea food transactions: Smart Tags

NEWS FROM CHINA

Apple China in Data Theft Scam

20 Apple Employees Caught Selling Customer Data in China

Apple may pride itself on offering its customers privacy and promising to protect their data, but in China, Apple's own employees have been working against the company in a huge data theft scam.

According to the Hong Kong Free Press (HKFP), Chinese authorities have been investigating the data selling scam for months and 22 people have now been arrested across the Guangdong, Jiangsu, Zhejiang, and Fujian provinces. 20 of those are Apple employees.

The scam involved using Apple's own internal computer system and tools in order to collect the personal data of individual customers. This included names, phone numbers, Apple IDs, and every other bit of information Apple stores on its systems about individual owners/users of its devices and services. Unfortunately this not the only case of data theft by employees of China based information companies. ***Source: Owler.com***

China's Central Bank Vows to Push for Blockchain in Five-Year Plan

The People's Bank of China (PBoC) is releasing new details about a forthcoming five-year development plan focused on its strategy for advancing technology use in the country's domestic financial industry.

According to the announcement by the central bank, the PBoC intends to actively push forward the development of new technologies such as blockchain and AI. It also plans to strengthen its research on applications of Fintech in regulation, cloud computing and big data. The press release emphasizes that from 2016 to 2020 the PBoC will be taking steps to help China's financial industry embrace economic reform.

Overall, the plan intends to put forward five goals for the financial technology industry: establishing a world-leading infrastructure, facilitating innovations in financial sector, implementing the financial industry standardization strategy and improving the competency and management of the financial network security system.

Looking more broadly, the release, while not yet fully public, is the latest sign the PBoC is actively looking into the potential of blockchain technology. Last January, it is reported that the PBoC had tested a blockchain-based digital currency, and it has since begun pushing for blockchain securities rules and publishing research papers on its efforts. ***Source: Coindesk.com***

BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 06 II – 2017

Consumer Credit Information

Five Reasons Cyber Scoring Is the Next Big Idea for Credit Unions

The greatest risk to credit unions and CUSOs today is the loss of members' trust and financial safety. Can your institution survive a cyber breach?

Understanding your cyber risk is a critical part of protecting yourself and your members. That's why FICO launched the FICO® Enterprise Security Score last year. And now, our cyber score has been selected as one of 5 big ideas to be presented at the National Association of Credit Union Service Organizations (NACUSO) 2017 Network Conference "Next Big Idea Competition."

Why is cyber scoring the next big idea for credit unions?

1. Fraud/cybersecurity is the top priority for credit union CEOs and, by extension, CUSOs.
2. Today's breach risk measurements are inadequate and inaccurate. They're manual rather than scalable, judgmental rather than empirical, point-in-time rather than predictive.
3. ESS is rapidly deployed. You don't install software, you just throw a switch.
4. ESS is multi-tenant, so CUSOs can rapidly provide the service to any number of credit unions.
5. ESS comes from FICO, the gold standard in compliant scoring solutions. We understand better than anyone what regulators are looking for when they look at analytics solutions and how they're used.

How It Works: FICO® Enterprise Security Score uses advanced analytical techniques including machine learning and artificial intelligence to quantify the likelihood that an organization will suffer a significant breach event during the next 12 months. If you thought AI was just for the big banks, think again.

The score is strictly empirical. Our analytics consider a wide range of inputs gleaned from billions of external data points that are continually monitored at internet-scale, as well as commercially compiled data from leading threat reporting organizations. In addition to the score, ESS provides a prioritized, detailed list of specific "next steps" that you can use to remedy risk exposure.

FICO's ESS is unique in its empirical approach, the predictive and forward-looking objective outcome, and the insights provided to the user for remediation and management. It's also an excellent tool for vendor management.

A Silver Sponsor of the BIIA 2017 Biennial Conference

Is cyber scoring the next big idea for credit unions? FICO thinks so. ***Source: FICO by Doug Clare***

CONSUMER CREDIT INFORMTION / LENDING

PayU and Kreditech in Global Partnership

Kreditech, a technology group for digital consumer credit using machine-learning based underwriting, has closed a EUR 110 million investment from global online payment service provider PayU. The landmark investment is the largest ever equity investment in a German Fintech company and builds on a successful 12-month pilot program in Poland.

As part of the deal, Kreditech and PayU agree a global partnership to deliver a joint proposition for Point of Sale Finance. The agreement combines PayU's strong international footprint with Kreditech's unique technology to bring innovative credit services to underbanked markets around the world. Kreditech will expand its Lending as a Service (LaaS) offering and deliver its unique AI and machine-learning credit underwriting and loan management technology to PayU's 300,000-strong network of merchants. The announcement follows a successful pilot program managed by Kreditech and PayU, offering Polish consumers improved access to credit in a real-time online process. The pilot program issued more than EUR 10 million in credit.

Through this major growth financing, PayU has acquired a significant minority stake in Kreditech, joining existing prominent Fintech investors including JC Flowers, Varde, Blumberg Capital, HPE, Peter Thiel, Rakuten and the World Bank's IFC. Additional transaction parameters were not disclosed.

Kreditech's Lending as a Service product line is an API-based solution which enables partners to offer tailor-made consumer finance products to their customers build on top of Kreditech's technology and machine-learning based underwriting. Partners gain access to the complete Kreditech consumer lending value chain including loan application management, credit risk management, know your customer principles (KYC), e-signature, loan refinancing, loan processing and servicing, collections as well as customer service.

Kreditech's mission is to provide access to credit for people with little or no credit history: The underbanked. Mainstream financial institutions have neglected this group of customers for years due to their lack of solid credit rating. Excluded from mainstream access to credit – those customers are left either with no or only with poor credit options such as Pawn or Payday Lending. By the use of its proprietary credit decision technology, Kreditech is driven to bridge this gap and to provide access to credit at fair and sustainable conditions to the non-prime market segment **[Editorial Note: As far as we know credit tech uses alternative data, sourced from public and social media data. It does not use traditional credit information sources].**

About: PayU uses its payments heritage and expertise to deliver financial services in emerging markets. Our local operations in Asia, Central and Eastern Europe, Latin America, the Middle East and Africa enable us to be experts in these countries and provide the best solutions for the local market. PayU is the leading online payment service provider in 16 high growth markets, dedicated to creating a fast, simple and efficient payment process for merchants and buyers. Our 250+ payment methods and PCI certified platforms are designed to meet every consumer's needs.

The markets in which PayU operates represent a potential consumer base of nearly 2.3 billion people and a huge growth potential for merchants. PayU has more than 1,800 payment specialists based in these local markets supporting PayU's 300,000+ merchants and the millions of consumers making online payments. ***Source: Kreditech Press Release***

CONSUMER CREDIT INFORMATION

UK Financial Fraud Performance: Fraudsters Circumvent Existing Controls

Financial Fraud Action UK (FFA UK) recently released their 2016 UK fraud performance report. Whilst there were some logical changes between 2015 and 2016, **FICO** was surprised at the fluctuation and significant shifts fraudsters have made in order to circumvent existing controls. Here are some highlights and lowlights from the report:

Overall, UK fraud losses were up again and this is due to a combination of shifts between fraud types and an increase in the number of victims of fraud (cases). What surprised FICO was the rate at which the gross losses increased compared to the value prevented had decreased. For example, Industry losses increased by £13 million (2%), yet the value prevented was reduced by a staggering £380 million (22%). This means that we at FICO prevented far less of the overall fraud attack in 2016 than we did in 2015. Here are some other interesting stats:

Card fraud was up by 9% from £568 million to £618 million, and the number of victims increased by 22%, yet a large proposition of this was successfully mitigated. We have seen many of our clients upgrading their solutions over the past 12-18 months and in particular to FICO Falcon Fraud Manager 6. This should be evidence that transaction detection tools are working. **Remote banking fraud** (via internet, telephone and mobile app) saw a 19% reduction. Case volumes remained flat compared to 2015 yet the losses went down by £32 million. Well done to the digital teams and security professionals out there for squeezing the level of opportunity for fraudsters. **Mobile banking fraud** through apps, while part of remote banking fraud, rose 104%, the largest increase. It's great to see the adoption of mobile banking apps increasing, but let's make sure we keep a very close eye on this fraud type. ***Source: FICO.com***

The Future of Lending is Now with Latest TransUnion Prama Offerings

As TransUnion (NYSE: TRU) data from the end of March 2017 suggest, the consumer credit market is as complex as ever. Mortgage delinquency rates: *continuing to drop*. Auto loan delinquency rates: *rising*. Personal loan market: *growing, but slowing*. Access to credit cards: *highest since 2005.* Maneuvering through this ever-changing credit landscape is difficult for lenders of all sizes, ranging from credit unions to regional banks to the largest financial institutions. To help navigate through this complex maze, TransUnion today introduced the newest modules in its Prama[SM] environment – *Benchmarking* and *Data Extract*.

Prama Benchmarking provides advanced data analytics and visualization capabilities specific to the auto loan, credit card, mortgage and personal loan markets—to deliver relevant insights for each line of business. Lenders will now be able to measure their performance across numerous metrics and filters, and compare it to the industry and their peers. This information can be used to improve how financial services companies segment, target, acquire, cross-sell and retain customers. The Data Extract module provides self-service access to query against 100 percent of TransUnion depersonalized archive credit data, allowing customers to receive faster delivery of data to support their own analytics—in their own environment with their preferred tools.

To read the full story or to learn more about TransUnion's newest Prama modules, please visit: https://www.transunion.com/prama Source: TransUnion Press Release

Consumer Credit Information

Lenders Seeking to Provide Real-Time Credit Online Can Cut Implementation from Months to Weeks with TransUnion Find My Offer Solution

As financial institutions seek to improve customer experiences online, TransUnion (NYSE:TRU) today announced the launch of Find My Offer to help lenders deliver relevant credit offers to consumers online. Find My Offer is a set of configurable white-label web screens that support a lender's consumer prequalification and digital prescreen initiatives.

Lenders can use ***Find My Offer*** to acquire new customers and expand existing relationships online. The site automatically integrates with TransUnion's DecisionEdge suite, allowing lenders to use their existing underwriting criteria for their online marketing. Consumers arrive at a financial institution's website and are re-directed to the Find My Offer site to start the prequalification process. TransUnion uses proprietary data, the consumer's prequalification answers and the lender's underwriting criteria to present the consumer with relevant, prequalification offers in real time.

For digital prescreening, TransUnion can match a device to an individual on the lender's prescreen list and deliver a relevant firm offer of credit through online advertising. When a consumer clicks a banner ad, they are presented with the lender-branded Find My Offer site that describes the offer. "In addition to increased speed to market, each financial institution is assigned a dedicated Find My Offer project manager who will work with the company to ensure consistency with creative, compliance, and decisioning strategies," added Siegfried.

Top Bank Uses Find My Offer to Reduce Development Costs and Increase Speed to Market

Early adopters of Find My Offer are already realizing impactful benefits from the solution. A top 20 national bank recently utilized Find My Offer to increase online acquisitions. Its IT team estimated a six month development cycle to build a customer-facing site to initiate credit offers online. Using Find My Offer, the bank saved more than 40% in development costs and was able to present relevant, tailored offers to consumers within three weeks – approximately 20 weeks earlier than what was projected using internal IT resources.

To learn more about Find My Offer, visit transunion.com/find-my-offer   Source: TransUnion Press Release

Business Information Industry Association Asia Pacific – Middle East Ltd.
Suite 4114 Hong Kong Plaza, 188 Connoaught Road West, Hong Kong
Telephone: +852 2525 6120; Fax: +852 2525 6171; E-mail: biiainfoasia@gmail.com Home Page: www.biia.com
Certificate of Incorporation: 979425