BIIA Newsletter

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

BIIA NEWSLETTER ISSUE 11 I - 2023

NOVEMBER I - 2023 ISSUE

BIIA News: It had been a great pleasure to host the exclusive BIIA Leadership Forum "Generative AI in the Crosshairs of Information Providers" in Singapore, 9th/10th of November !

🙏 We thank Worldbox Business Intelligence and Credit Bureau Singapore Pte Ltd for being a supporting partner, our Keynote Speakers Leslie Joseph, Shin Wee Chuang 庄欣伟 and Mustafa K., and all Senior Leaders of BIIA's Member Community from around the world for making the #BIIA #Leadership #Forum such a #success:

✅Inspiring Keynotes ! ✅ Insightful Roundtable Discussions ✅ Networking. Embracing Collaboration !

We are looking forward to 2024 BIIA Biennial Conference to be held from 5-7 June in Bangkok, Thailand !

LATE BREAKING NEWS *continued from first page*

There will be more reporting about the BIIA Leadership Forum. So please stay tuned.

The discussions also included the related topic of ESG, presented by Ingrid Riehl, a Board Member and Head of Membership Services. She will highlight a number of articles which will be published in due course on this subject.

BIIA Mourns the Death of a Friend and Supporter: Tony Lithgoe

It is with great sadness that we have learned of the passing of our good friend Tony Lythgoe.

Tony was a strong supporter of BIIA during his time at the World Bank/IFC, speaking at many of our events and providing extremely useful guidance for many of us at BIIA on the direction of the information industry.

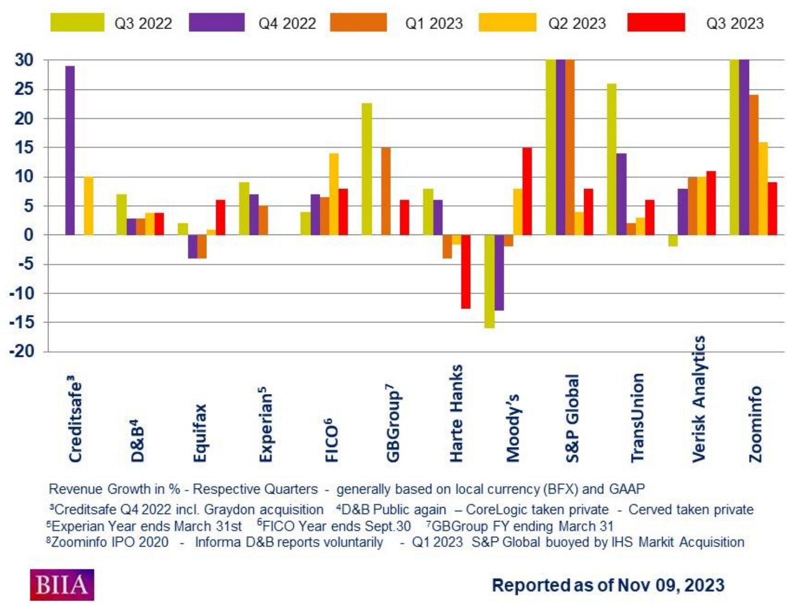
With his vast experience and knowledge Tony was instrumental in the development of credit reporting in many parts of the world. Those who knew Tony will know he was a strong advocate of the role of the industry and someone who was passionate about how it needed to adapt going forward. Tony became a true personal friend to many of us at BIIA over the years that we have known him and we will miss him enthusiasm, insight, and his sense of humour.

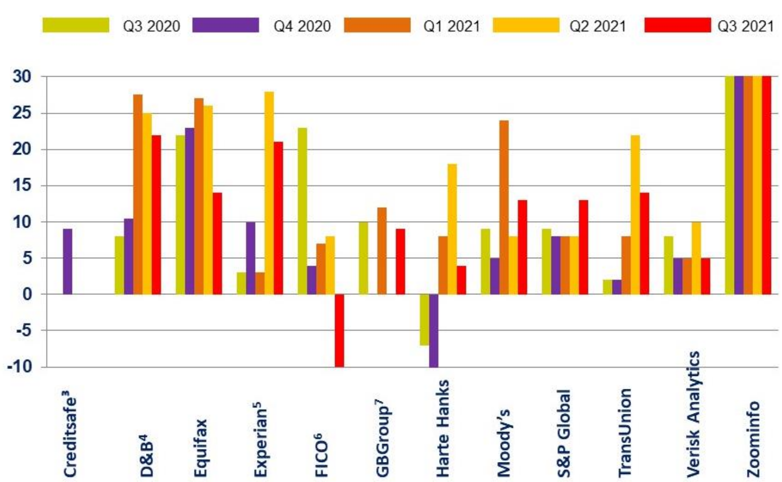
The Executive Committee and the Board of Directors send our condolences to his wife, Alison and his two children, Alexandra, and Andrew.

"I am deeply saddened by the death of our friend Tony Lythgoe. I met Tony for the first time at a World Bank conference in South Africa in October of 2006. He was a guest at our first 2006 Annual General Meeting stressing the importance of the IFC's mission to improve the financial services infrastructure, creating the legal infrastructure for information companies to function. A mission which he pursued with vigor until his retirement. Following our first meeting he supported BIIA by participating in our first Business Information Forum in 2006 in Tianjin, China and in many of our meetings which followed. In building up BIIA as a co-founder I often sought his advice and I owe Tony a lot of gratitude for his contribution to the success of building up BIIA" ***Joachim C Bartels, Co-founder and Director of BIIA***

LATE BREAKING NEWS

Comparisons of Quarterly Revenue Growth Rates – Third Quarter 2023 Results





Watch the red bars in the chart: Revenue growth rates are almost uniformly in single digit territory. For those who made major acquisitions a year ago the effects of their double digit growth rates are wearing off.

The boom quarters of the 2020s are well behind us. See chart below.

Moody's recovered from the downturn in bond issuance. Moody's Analytics is now the largest division of Moody's having outgrown its sister company Moody's Investor Services.

Moody's recently announced a partnership with Google Cloud on Generative AI applications tailored for financial services professionals. In June Moody's and Microsoft announced to develop enhanced risk, data, analytics, research, and collaboration solutions powered by Generative AI.

TransUnion fully integrated Neustar and its growth rates are now also single digit. The company executed well against weakening lending and marketing activity over the course of the quarter. U.S. Markets continued to grow, highlighted by high-single digit growth at Neustar. TransUnion's international segment again grew double-digits, led by India, Canada, and Asia Pacific."

Equifax completed its acquisition of Boa Vista Serviços for US$640 million.

Credit bureaus are still facing headwinds in mortgage lending.

Zoominfo also feels the headwinds of tougher market conditions and it appears that their multi-year double digit growth period has come to an end.

LATE BREAKING NEWS

GBG Promotes Dev Dhiman to Chief Executive Designate

GB Group plc, (AIM: GBG) the experts in digital location, identity verification and identity fraud software, announces that Chris Clark, the Company's Chief Executive Officer, has informed the Board of his intention to retire as CEO and will step down from the Board with effect from 30 January 2024, and will be available to the Company until 30 July 2024.

Following the conclusion of a rigorous selection process by the Nomination Committee, the Company is pleased to announce that Dev Dhiman has been promoted to Chief Executive Designate. Dev will assume the role of Chief Executive Officer and will join the Board on 30 January 2024. In the meantime, he will work closely with Chris to ensure an orderly handover.

Dev joined GBG in November 2020 as Managing Director, Asia Pacific. During the past three years our APAC business has consistently delivered year-on-year revenue growth and Dev has demonstrated excellent leadership qualities aligned with GBG's people-focused culture. Previously, he spent 12 years at Experian, where he held a variety of senior positions, he has considerable knowledge and experience of the sector and the markets in which we operate.

Richard Longdon, Chair of GBG, said: "On behalf of the Board, I would like to give our thanks to Chris for his significant contribution over the last 7 years, his passion and dedication will be missed by everyone at GBG and we wish him the very best in his retirement. I am delighted to be able to announce Dev's appointment as CEO designate. During our selection process it was clear that Dev's deep understanding of GBG, its markets and potential, make him the ideal leader to replace Chris. We are confident that he will work together, with the excellent Executive Team, to lead GBG through the next phase of its evolution." ***Source: GBGroup***

Dev Dhiman is a director of BIIA. We at BIIA congratulate Dev on his promotion and wish him lots of success.

About: GBG is often described as a technology or data business, but really, it is in the business of creating trust. For more than 30 years company delivered software and solutions to our customers around the world which enable them to grow and protect their business.

At GBG, technology has long been a foundation. The company was founded in 1989, pioneering new ways of delivering address management services. Since then, it's offering has grown to cover three core areas of Location, Identity & Fraud, which together create confidence online.

GBG ensures addresses and locations can be easily captured, verified, and managed. Its digital identity verification tools ensure you're doing business with good customers and can identify the bad actors. Our fraud prevention solutions reduce financial risk and ensure compliance with regulations.

GBG

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LATE BREAKING NEWS

The AI Dilemma: Regulate, Monopolize, Or Liberate

In 2023, the buzzword of the year might very well be "AI" - Artificial Intelligence. Although AI is not a new concept and has long been a staple in science fiction, it has recently exploded in popularity and functionality.

Innovations like ChatGPT, Google Barg, and Meta Llama 2 have made it a part of our daily lives. With AI's increasing impact on society, culture, jobs, and the future, governments worldwide are grappling with the pivotal question:

Should they regulate AI? In this article, we explore the pros and cons of government intervention in the world of AI.

The Big Debate: Should AI be Regulated? In Washington, a fierce battle is raging, with tech giants like Google and Microsoft advocating for AI regulation. One argument against this move is that it may stifle competition, as it could lead to the exclusion of open-source AI, effectively limiting the field to big corporations. Proponents of this stance worry that if open AI were banned, it would curtail access to AI for everyone, which might have detrimental consequences for society.

On the flip side, there's a valid concern that AI, if unregulated, could be used for malicious purposes, such as guiding individuals in criminal activities. The power of fear and public sentiment often influences the direction of policy debates, as we've seen throughout history.

The Monopoly Conundrum: Regulating AI could potentially pave the way for corporate monopolies in the field. When a few companies hold the reins, they can control prices and limit access, which is a source of concern. While AI can be taught to perform both virtuous and malicious tasks, its ability to assist in fields like education, healthcare, and problem-solving underscores the importance of making it accessible to all.

The issue of information source and training data is equally critical. If the government takes control of AI training data, it could potentially introduce censorship and bias. In this context, the example of authoritarian regimes controlling information and knowledge is a haunting reminder of the potential risks.

The Knowledge Gap: One pressing question is who should be responsible for controlling and regulating AI. The worry here is whether uninformed politicians are equipped to make decisions about highly complex technological matters. Critics cite Canada's attempt to regulate AI as an example of potentially well-intentioned but poorly-informed actions in the realm of AI. The speed at which AI evolves, combined with the limited understanding of its implications, adds to the dilemma.

Regulatory Pitfalls: Lessons from History Drawing parallels from other heavily regulated industries, such as banking and insurance, we can see that government involvement often leads to protecting well-established players. The barriers to entry become so high due to complex regulations that newcomers struggle to compete. Moreover, a revolving door effect, where government officials move to lucrative positions in the industries they once regulated, can foster an environment of concentrated power, reduced competition, and stagnation. ***To be continued on next page***

LATE BREAKING NEWS

The AI Dilemma: Regulate, Monopolize, Or Liberate - Continued from previous page

The Open Source Alternative: An alternative to government regulation is the open-source model, where AI is treated as a public good and accessible to all for free. Open source movements, such as Wikipedia and Linux, have proven that grassroots efforts can succeed.

Regulating or banning open source is a complex task. How do you enforce it? Taking draconian measures like cyberattacks on unapproved software providers, as suggested in a recent Time Magazine article, raises serious ethical concerns.

Judgment Calls and Complex Tradeoffs: Proponents of government regulation argue that it is essential to ensure AI's safety, effectiveness, trustworthiness, privacy, and non-discrimination. Yet, implementing these principles entails intricate judgment calls and trade-offs. The crux of the matter lies in who should make these critical decisions. If the government is to assume this role, it is crucial that officials in charge understand the complexities of AI and have the best interests of society at heart.

Conclusion: The debate over AI regulation is far from settled. As governments grapple with the question of whether to intervene in this rapidly evolving field, striking the right balance is essential. Regulating AI should not stifle innovation, foster monopolies, or curb access to this transformative technology. A nuanced and informed approach is needed to ensure that AI serves as a force for good while minimizing its potential for misuse. The world watches closely as governments worldwide grapple with the regulation of AI, a task that presents both promise and peril. ***Source: Cyber Security Intelligence***

UK Publishes First Policy Document on Generative AI Safety

For the first time, the British Government has published an official policy document on the capabilities and risks arising from the rapid development of Artificial Intelligence (AI), drawing on sources which include intelligence assessments. And AI can make it easier to build chemical and biological weapons, UK Prime Minister Rishi Sunak (pictured) said in a speech at the Royal Institute last week.

According to the British government's **Safety and Security Risks of Generative Artificial Intelligence to 2025** Report, AI The risks fall into at least three overlapping domains:

- Digital risks are assessed to be the most likely and have the highest impact to 2025. Threats include cybercrime and hacking. Generative AI will also improve digital defenses to these threats (including fraud).
- Risks to political systems and societies will increase in likelihood to 2025, becoming as significant as digital risks as generative AI develops and adoption widens. Threats include manipulation and deception of populations.
- Physical risks will likely rise as generative AI becomes embedded into more physical systems, including critical infrastructure and the built environment. If implemented without adequate safety and security controls, AI may introduce new risks of failure and vulnerabilities to attack.

Experts continue to be divided about the threat posed by AI and previous fears about other emerging technologies have so far not materialized. ***To read the full story click here***

MEMBER NEWS

Rubix Data Sciences Private Limited Received ETBFSI Exceller Award 2023

Rubix Data Sciences Private Limited just received a wonderful Diwali gift!!

We are delighted to announce that we have received the prestigious ETBFSI Exceller Award 2023 in the 'Best Initiative in Analytics Solution of the Year' category.

The award has been conferred in recognition of Rubix's groundbreaking initiative, 'SME Income Range Estimation and Financial Ratio Benchmarking.'

The #ETBFSIExceller Awards celebrate outstanding achievements and innovations within the #banking and #financialservices industry, and we are elated to have stood out as a true pioneer in the field of #riskanalytics and #financialinsights. PwC is the knowledge partner for the awards and the jury consists of very eminent members such as Mr. S. Ganesh Kumar (former Executive Director - IT) at RBI, Mr. MRUTYUNJAY MAHAPATRA (former MD and CEO - Syndicate Bank), Shinjini Kumar (Co-Founder, Salt) and Mr. Raman Aggarwal (Director - Financial Industry Development Council).

Rubix's 'SME Income Range Estimation and Financial Ratio Benchmarking' initiative is designed to address the longstanding challenges associated with providing financial insights about SMEs, particularly those without accessible financial statements. Rubix has developed proprietary algorithms powered by extensive data, domain expertise, and advanced analytical modelling to estimate income and financial metrics for SMEs.

This approach significantly enhances the ability to assess #creditworthiness and provide #riskscores to SMEs when traditional financial statements are not available. This, in turn, facilitates the flow of trade credit and finance to deserving SMEs. The ETBFSI Exceller Award inspires #TeamRubix to develop and deploy even more analytics based solutions for managing fraud & identity risk, credit, supplier and compliance risk assessment, and B2B debt collection.

Dr. Vishnu Ramchandran, Tushar Bhaskar, Anand Date, Rahul Chopadekar and I were privileged to receive the Award at the hands of Mr. S. Ganesh Kumar and Amol Dethe. We missed Mohan Ramaswamy, Samir Modi and Ankita Drolia who were traveling yesterday!!

A special thanks to our incredible team members, customers, partners, investors, the team at Vayana who have made this magic possible!!

Source: Rubix Data Sciences Private Limited - ***Congratulations from BIIA***

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MEMBER NEWS

CRIF Gulf and Fauree Announce Partnership

CRIF Gulf and Fauree announce partnership to enhance ESG Assessment and Business Information for Informed Credit Decision-Making

Dubai, United Arab Emirates - CRIF Gulf, a global leader in credit information and business information services, and Fauree, a Supply Chain Finance Platform, are thrilled to announce a strategic partnership to revolutionize the landscape of credit assessment and sustainability evaluation.

This exciting collaboration brings together CRIF's extensive expertise in credit risk analysis and Fauree's Supply Chain Finance Platform to provide businesses with a holistic and data-driven approach to credit decision-making. By integrating comprehensive ESG data into the credit assessment process, CRIF and Fauree aim to empower companies to make more informed and responsible lending decisions.

Key highlights of the partnership include:

Enhanced Credit Risk Assessment: Businesses will benefit from a more comprehensive and robust credit assessment process that takes into account not only traditional financial metrics but also ESG factors. This will enable lenders to better identify and manage potential risks associated with a borrower's sustainability practices.

Access to ESG Data: CRIF's ESG assessment using SynESGy will be seamlessly integrated into Fauree's Supply Chain Finance Platform, providing clients immediate access to a wide range of ESG-related information. This data will cover environmental performance, social responsibility, and corporate governance, offering a well-rounded view of a company's sustainability practices.

Improved Decision-Making: The combined strength of CRIF and Fauree will enable businesses to make more responsible lending decisions, promoting sustainability and ESG-focused practices in the corporate world.

Customized Solutions: The partnership will provide tailored solutions for various industries and businesses, ensuring that each client's needs and objectives are met.

About: Fauree is a leading Supply Chain Finance Platform dedicated to streamlining structured trade finance and optimizing working capital solutions for Small and Medium-sized Enterprises (SMEs). Operating across the Middle East, including Saudi Arabia, Pakistan, Oman, and the UAE, Fauree has a profound commitment to addressing the unique financial challenges faced by SMEs in the region. Through innovative technology and tailored financial services, Fauree empowers businesses to unlock their growth potential, ensuring they have the financial support they need to thrive in the modern marketplace. ***Source: CRIF GULF***

CRIF Together to the next level

MEMBER NEWS

Creditinfo's Account Information Service Product – Cross-Baltic Product Portfolio

In the autumn of 2021, the authorization was also granted by Estonian Financial Supervision Authority to offer Account Information Service to Latvian and Lithuanian market. This act added to our product portfolio new interesting product, that benefits our customers in a short and a long run. As of today, we have had account information service in our cross-Baltic product portfolio for two years.

The Account Information Service is a part of the Open Banking initiative, defined as an online service where the service user (customer) is identified and authenticated via strong identification and authentication means. The service itself means transmitting customer's bank account data through a secure channel to third party from whom the customer wishes to apply a credit product.

Using Creditinfo Estonia's solution, both individuals, which is regulated by the aforementioned payment service directive, and companies can transmit their account information to third parties. Beside financial sector the possibilities of the Account Information Service can be successfully used in application processes in various sectors. Previously mentioned customer consent is obviously obligatory.

- Public sector companies that provide subsidies to individuals and businesses, where the information in the account details creates significant value when determining subsidies;
- Insurance sector companies, which can use behavioral information from the bank account for determining insurance premiums or simplifying the insurance incident evidence burden;
- Other sectors where value from account information help to create better personalized offers for their products and services.

The strength of our Account Information Service is categorization.

The greatest value of the Account Information Service provided by Creditinfo Estonia comes from categorizing account transactions, which our clients (data recipients) can conveniently use in their business decisions. Categorization is a solution that can and should be continuously improved over time. Precise and detailed categorization is a top priority for Creditinfo Estonia's Account Information Service.

The data from the Account Information Service serves also as an input for our Account Information Service Report. The report helps to make more informed business decisions both internally and towards our client's customers. The report highlights all the key ratios, indicators, "green and red flags" and much more that can be extracted from account information. The report is designed in a way that can be customized to meet the client's needs, which make it a „tool" for everyday business decisions. More information about the service: https://creditinfo.ee/en/avoid-debts/psd2/

To read the entire story, please click here

MEMBER NEWS

LexisNexis Risk Solutions and IMS Collaborate to Offer IMS Customers Consistent Driving Scoring at Point of Quote and for Ongoing Driver Monitoring

LexisNexis® Risk Solutions, a leading provider of data and analytics for the insurance and automotive industries and IMS (Insurance & Mobility Solutions), a leading global vehicle and driving data business, have announced they have entered into an agreement for IMS to leverage the LexisNexis® Drive Metrics scoring model. Whether data is from the IMS DriveSync® platform or from LexisNexis® Telematics OnDemand, insurers using both solutions can leverage the benefit of a single, consistent driving score to benefit consumers.

Insurers can now leverage the Drive Metrics scoring model from the IMS One App product suite in addition to the existing LexisNexis Risk Solutions point-of-quote channel, LexisNexis® Telematics OnDemand. This approach offers a consistent scoring process for a broad range of insurers looking to continue to improve their usage-based insurance offerings through advancement of their own app-based programs, as well as integration of external exchange-based solutions to meet the needs and desires of consumers.

The Drive Metrics scoring model is compatible with carrier-specific rating plans and delivers a 79% additional lift above standard rating factors, with the potential to increase future performance of the model even further as additional driving behavior attributes are included. The separation power of this scoring model is also very high with an 8.7x lift between top and bottom deciles in terms of claim frequency and it performs strongly across coverage types to offer differentiated claim relativities and discounts, as appropriate. ***Source: LexisNexis® Risk Solutions Press Release***

LexisNexis Risk Solutions Wins Datos Insights AML Impact Award for its Financial Crime Screening Solution

LexisNexis® Risk Solutions announced that its LexisNexis® Firco™ Continuity product has been honored with the Best Sanction/Watchlist Screening Innovation award by the 2023 Datos Insights (formerly Aite Novarica) AML (Anti-Money Laundering) Impact Awards. The AML Impact Awards recognize industry leaders pioneering new and disruptive financial crime products and capabilities whose innovations bring the financial services industry one step closer to triumph in the fight against fraud, money laundering and other illicit activities.

Firco Continuity™ is a leading, more complete, and scalable real-time transaction screening solution that provides sanctions compliance, reduces control costs, and establishes readiness for regulatory scrutiny. Firco Continuity provides businesses with an end-to-end solution from the preparation of data to transaction screening auditing, including filtering and alert remediation. Enhanced traceability allows customers to quickly answer regulator questions on previous alert decisions. Available on cloud or on premise and following an API-first approach, Firco Continuity easily integrates with existing IT systems and is supported by technologies that enable optimal performance and scalability.

Datos Insights advisors and industry experts selected award winners based on innovation, competitive advantage, market needs/drivers, impact, value, and future roadmap. This is the second year in a row that LexisNexis Risk Solutions has won the Best Sanction/Watchlist Screening Innovation category, with last year's honor being LexisNexis® Financial Crime Digital Intelligence, a financial crime compliance solution that leverages digital identity data to transform compliance workflows. ***Source: LexisNexis Risk Solutions Press Release***

INDUSTRY NEWS

FICO Q4 2023 Revenue Up 8.8% (Fiscal 2023)

Fourth Quarter Fiscal 2023 GAAP Results Quarter ended September 30th, 2023

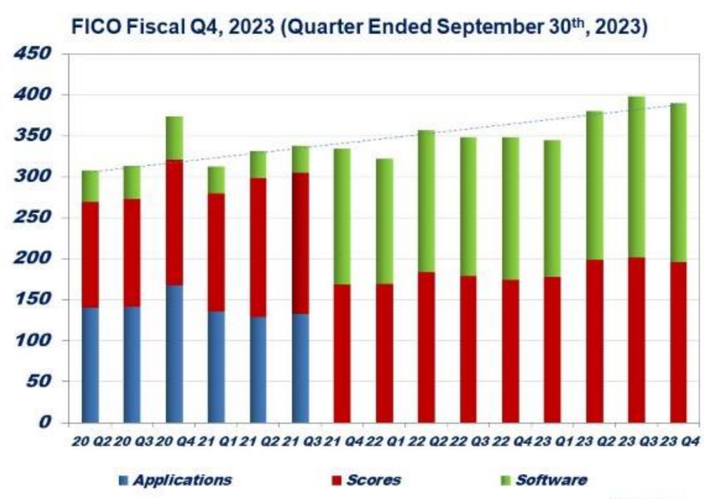
Net income for the quarter totalled $101.4 million, or $4.01 per share, versus $90.7 million, or $3.55 per share, in the prior year period. Net cash provided by operating activities for the quarter was $164.0 million versus $144.8 million in the prior year period.

Fourth Quarter Fiscal 2023 GAAP Revenue: The company reported revenues of $389.7 million for the quarter as compared to $348.7 million reported in the prior year period.

"We had another great year, posting strong double-digit growth across all our metrics," said **Will Lansing**, chief executive officer. "We are also pleased to provide our FY 2024 guidance, which includes double-digit percentage revenue and EPS growth, demonstrating the remarkable resilience of our business model even in an uncertain macro-economic environment."

Revenues for the fourth quarter of fiscal 2023 for the company's two operating segments were as follows:

- ***Scores* revenues**, which include the company's business-to-business (B2B) scoring solutions, and business-to-consumer (B2C) solutions, were $195.6 million in the fourth quarter, compared to $174.1 million in the prior year period, an increase of 12%. B2B revenue increased 21%, driven largely by pricing increases which were partially offset by declines in origination volumes. B2C revenue decreased 6% from the prior year period due to lower volumes on myFICO.com business.
- ***Software* revenues**, which include the company's analytics and digital decisioning technology, were $194.2 million in the fourth quarter, compared to $174.7 million in the prior year period, an increase of 11%, due to increased recurring revenue, partially offset by decreases in professional services. Software Annual Recurring Revenue was up 22% year-over-year, consisting of 53% platform ARR growth and 14% non-platform growth. Software Dollar-Based Net Retention Rate was 120% year-over-year, with platform software at 145% and non-platform software at 111%.



Source: FICO Earnings Release

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INDUSTRY NEWS

CoreLogic Unveils Integrated Digital Mortgage Platform

CoreLogic® has announced the launch of Digital Mortgage Platform (DMP), integrating Roostify with CoreLogic's extensive property data and workflow capabilities. This integration represents a game-changing milestone in the mortgage industry, streamlining the process and improving efficiency for lenders.

Combining Roostify's renowned digital mortgage solution with CoreLogic's advanced data and workflow solutions, the Digital Mortgage Platform offers a comprehensive digital mortgage experience. CoreLogic's acquisition of Roostify earlier this year paved the way for this transformative integration, highlighting its commitment to changing the mortgage industry.

The integration of CoreLogic's AutomatIQ Borrower Income Analysis, SmartFees and gold-standard property data into the DMP interface has brought about a significant transformation in the loan origination process. Loan officers can now effortlessly obtain crucial information about borrowers and properties at the outset of the process. This seamless amalgamation has revolutionized the process, and borrowers are now provided with an improved and more streamlined mortgage journey.

Bob Jennings, executive of Collateral and Risk Solution at CoreLogic, said, "By harnessing our industry-leading data and workflow solutions, we have taken the first step toward creating an all-in-one platform that transforms the mortgage process, benefiting both borrowers and loan officers. These integrations are just the beginning, as we continue developing and introducing new features to provide lenders with a completely new and integrated mortgage experience." ***Source: CoreLogic Press Release***

Moody's Creates New Private Credit Analytical Franchise

Moody's Corporation (NYSE:MCO) today announced the creation of a new analytical franchise within Moody's Investors Service (MIS), the rating agency, that will focus on delivering strategic insights into the rapidly expanding private credit sector. Ana Arsov has been named Global Head of Private Credit, and will lead coordination of relevant research and rating initiatives across MIS. Ms. Arsov will also co-head the global Financial Institutions Group (FIG) along with Simon Harris.

The organizational updates reflect the growing importance of **private credit in capital markets and investor demand for Moody's research and ratings** adjacent to the sector. The analytical franchise will provide transparency into the complex private credit markets and their interlinkages with broader capital markets.

In her capacity as co-head of FIG, Ms. Arsov will continue to engage with a broad range of financial institutions including global systemically important banks, capital markets intermediaries, and non-bank financial services companies. ***To read the full story click here***

INDUSTRY NEWS

Dun & Bradstreet Q3 2023 Revenue up 4.8% (Constant Currency)

Revenue for the third quarter of 2023 was $588.5 million, an increase of 5.8% and 4.8% on a constant currency basis compared to the third quarter of 2022. Segment Results:

North America: For the third quarter of 2023, North America revenue was $421.4 million, an increase of $17.8 million or 4.4% and 4.5% on a constant currency basis compared to the third quarter of 2022.

- Finance and Risk revenue for the third quarter of 2023 was $234.9 million, an increase of $10.8 million or 4.8% and 4.9% on a constant currency basis compared to the third quarter of 2022.
- Sales and Marketing revenue for the third quarter of 2023 was $186.5 million, an increase of $7.0 million or 3.9% compared to the third quarter of 2022.

North America adjusted EBITDA for the third quarter of 2023 was $195.6 million, an increase of 3.8%, with adjusted EBITDA margin of 46.4%. For the nine months ended September 30, 2023, North America revenue was $1,187.7 million, an increase of $35.5 million or 3.1% and 3.2% on a constant currency basis compared to the nine months ended September 30, 2022.

International revenue for the third quarter of 2023 was $167.1 million, an increase of $14.4 million or 9.4% and 5.8% on a constant currency basis compared to the third quarter of 2022.

- Finance and Risk revenue for the third quarter of 2023 was $113.6 million, an increase of $11.4 million or 11.1% and 7.5% on a constant currency basis compared to the third quarter of 2022.
- Sales and Marketing revenue for the third quarter of 2023 was $53.5 million, an increase of $3.0 million or 5.9% and 2.4% on a constant currency basis compared to the third quarter of 2022.

International adjusted EBITDA for the third quarter of 2023 was $55.5 million, an increase of 7.6%, with adjusted EBITDA margin of 33.2%.

Source: Dun & Bradstreet

Dun & Bradstreet and Databricks Launch New DUNSified™ Data Marketplace

Alliance creates the industry's first data marketplace of Dun & Bradstreet and third-party data

Dun & Bradstreet (NYSE:DNB), announced the upcoming availability of Entity Resolution services, complete with D-U-N-S Numbers, to all relevant third-party providers and clients within the Databricks Marketplace. This new offering will provide over 200,000 new and existing Dun & Bradstreet clients a quick and frictionless experience when adding new data assets to their commercial data strategies. ***To read the full story click here***

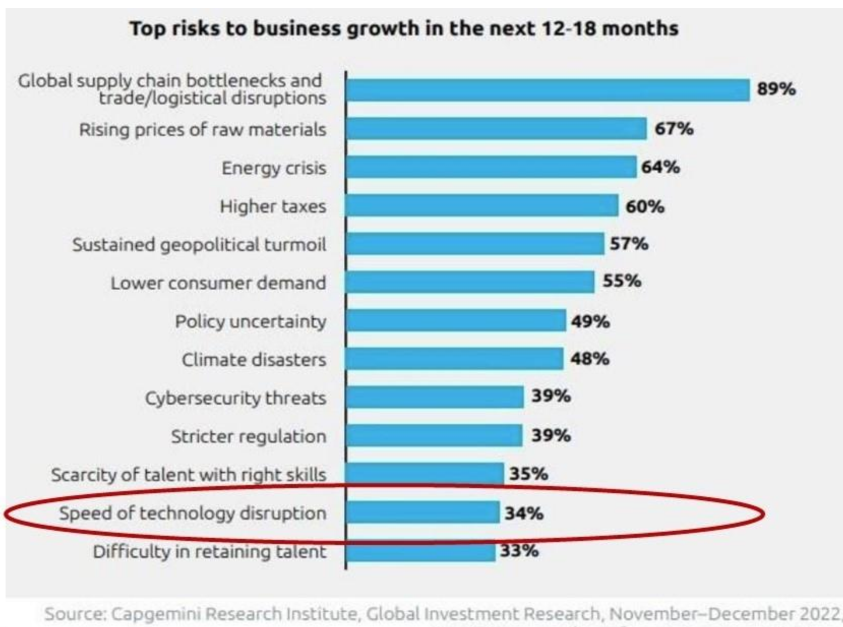
SUPPLY CHAIN WORRIES CONTINUE

Supply Chain Worries Still Dominate in Manufacturing

The Potential Cost of "Friend Shoring" – Here is yet another term that has come into common parlance since the pandemic and the shattering of the old supply chain system. It refers to the desire on the part of companies to avoid geopolitical inhibitions to trade.

Most of the attention has been focused on China but the concept can easily be extended to any relationship between nations that can impact trade. Companies doing business in China have to navigate an immensely complex series of restrictions on what can and can't be sold to China and what can be purchased.

There are also tariffs and regulatory demands that add costs to every transaction. These political considerations also involve dealing with Russia, Iran, Cuba, North Korea, Nicaragua, Venezuela, and many others. Sanctions and trade restrictions are in lieu of open warfare or other hostile gestures but they have their costs and for the most part these are heaped on the companies that are trying to do business and then ultimately on the consumer which will pay more for the products and services affected.



The European Central Bank (ECB) polled 65 companies and discovered that 45 of them have deliberately shifted business to nations considered "friendly" to Europe as a whole and specifically to their own nation. More importantly, fully 60% report that efforts to avoid potentially hostile trading partners has driven costs up significantly – often by more than 10%. The majority now attribute this pattern to the rise in inflation – more influential than other supply chain issues.

It is simply a matter of restricted competition. Those companies in "friendly" nations know they have an advantage over companies in "unfriendly" locations and they exploit that advantage. There is also the restriction of supply when the nation in question is as big as China or Russia. The US and the EU restrict business with China and that adds considerably to the costs of alternative energy given the role that China plays in that sector. Then there is steel and rare earths and textiles and let's not forget the gas and oil coming from Russia.

***Source:* [*Armada Corporate Intelligence*]**

Editorial comment: The survey dates back to late 2022 when the Generative AI /ChatGPT frenzy had not fully surfaced. Hence the low ranking about the speed of technology disruption appeared to be less of a concern.

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NEWS FROM CHINA

China Business Climate: A New Generation of Private Business Owners Takes Over

Millions of family businesses that thrived amid China's economic boom are entering an unprecedented succession wave as first-generation entrepreneurs approach retirement. Making the shift more challenging is the changing business environment.

The private sector, which accounts for over 90% of all business operations in China and contributes more than 60% of the country's GDP, has been struggling to recover from the pandemic and a multi-year crackdown on everything from tech to online education.

In 2022, China's top 500 private enterprises recorded a 3.94% increase in operating income but a 4.86% decrease in after-tax net profits. That marked a second consecutive year of profit decline, according to a report from the All-China Federation of Industry and Commerce. The trend of "revenue growth without profit growth" is a result of businesses constantly cutting prices to capture market share, intensifying the already tough environment for small and medium-sized businesses, the report found. According to data from the National Bureau of Statistics, private fixed asset investment dropped by 0.6% year-on-year in the first three quarters, and manufacturing activities contracted from April to August. Distressed private businesses have weighed on the economy, resulting in lower-than-expected GDP growth in the second quarter and record-high youth unemployment.

Authorities have issued a series of measures since the beginning of the year to prop up the private sector. In the latest effort, the cabinet announced plans to launch a sweeping inspection campaign in November to tackle issues hindering economic development, especially those affecting private enterprises.

A combination of factors — including constrained capital market financing, local governments' tightened tax rules, stagnant business growth and corporate governance challenges — has significantly hampered the development of private enterprises, a person close to policymakers said. Against that backdrop, many private businesses are undergoing a transition in leadership as first-generation entrepreneurs pass the baton to their successors. This succession wave is expected to herald profound changes in China's private sector and the global supply chain, according to experts.

According to a report by the All-China Federation of Industry and Commerce, more than 80% of China's 1 billion private enterprises are family-owned, with about 29% of them in traditional manufacturing. From 2017 to 2022, three-quarters of China's family businesses were in the midst of a leadership transition, marking the largest succession wave in Chinese history.

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NEWS FROM CHINA

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The pandemic accelerated succession within Chinese family businesses. According to a 2022 survey by PricewaterhouseCoopers (PwC), the global professional services firm, 59% of family enterprises surveyed claimed to have "developed a succession plan," a considerable rise from about 19% in 2021. The pandemic and subsequent business uncertainty were most likely the driving factors, according to PwC analysts. Travel restrictions enforced by the pandemic led family members to stay together, prompting discussions of succession, the report said.

An increasing number of second-generation heirs have assumed leadership roles in industries like clothing, food processing and solar power. The challenges confronting the new generation of business owners differ significantly from those of their predecessors. Economic slowdown, rising labor costs, challenges from technology upgrades, and broad overcapacity are compelling Chinese factories to adopt more precise, digital, and international operating approaches.

The era of China's manufacturing industry, based on expansion and scale, might be a thing of the past. It's now time to focus on efficiency and refining operations, said Pang Xingjian, China industrial automation business head of French automation giant Schneider Electric.

According to the General Administration of Customs Data, influenced by the overall contraction in global demand, China's total foreign trade volume decreased by 0.2% year-on-year in the first three quarters. However, trade of private enterprises grew by 6.1% year-on-year, constituting 53.1% of total import and export value.

The ties between governments and private businesses are also changing. As local governments' coffers shrank due to pandemic spending and the economic slowdown, companies that relied heavily on government orders have suffered significant drops in business, and some have faced difficulties collecting payments from government clients.

Increasing numbers of second-generation factory owners have realized the need to explore overseas markets or find new domestic directions as China's economic growth model undergoes dramatic changes. That has sparked many companies to reevaluate their business with governments. Unlike their predecessors, many of the second-generation business owners say they do not rely on or prioritize government relations, market sources said. ***Source: Caixin Global***

CREDIT BUREAU NEWS

TransUnion Report Shows Fraud Attacks on Financial Industry Call Centers Rising

90% of financial industry respondents to a recent TransUnion survey say these attacks have increased

At a time when commerce is increasingly conducted digitally, consumers still expect and rely on call centers to deliver timely and trustworthy customer service when they need it. However, according to a new **TransUnion (NYSE:TRU) report**, these call centers have increasingly become a target for fraud, leading to a complicated balancing act of delivering efficient service and maintaining customer account security.

The new TransUnion report featured findings from its recent 2023 State of Omnichannel Authentication survey of call center organizations to determine how organizational leaders across industries apply authentication to improve customer experience and fraud mitigation.

The survey found that more than half of respondents say that fraud attacks on call centers are on the rise, based on growth from 2021 to 2022, with financial industry respondents noting an even more acute increase, with a full 90% of respondents indicating at least some observable growth in attacks. One in five respondents from the financial industry indicated that attacks were up more than 80% over the survey period. ***Source: TransUnion***

Equifax Alternative Data Continues to Help Reshape Car Buying for Consumers

INVENTORY, INFLATION, AND INTEREST RATES are just a few of the challenges consumers have faced during the last several years while searching for a vehicle that best fits their needs and budget. These primary concerns will likely continue to challenge the auto industry for the foreseeable future.

As inventory levels started to right size, auto dealers were getting more vehicles delivered to their lots. While this was good news for dealers, a number of factors – including persistently higher inflation, rising interest rates and new financial challenges such as the start of interest and repayments of federal student loans – continue to make it challenging for consumers to afford a vehicle.

On September 15, the United Auto Workers (UAW) went on strike against the "Big Three": Ford, GM, and Stellantis. While all three have reached tentative new agreements over the last few weeks and are working through the contract ratification process with their members, the strike has the potential to create a ripple effect and impact the consumer in the coming months with increased labor costs driving car prices ever higher.

As the auto industry navigates these challenges, Equifax helps dealers and lenders provide a more personalized, frictionless, efficient, and secure buying experience with our data, analytics, and technology solutions. By providing greater insights into future car buyers, lenders are able to help consumers find the vehicle that best fits their needs and budget.

Additionally, alternative data scores like the Equifax **Insight Score for Auto** product uses insights such as telecommunications, PayTV and utility payment history to help lenders **score 16% more consumers**, which can help those new to credit or those who may be rebuilding their credit find the right financing for a vehicle. Learn more about how Equifax supports the car buying experience **here**. ***Source: Equifax***

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CREDIT BUREAU NEWS

The National Credit Bureau (NCB) of Thailand Sounds Alarm on Bad Loans

The National Credit Bureau (NCB) said there is unease regarding rising non-performing loans (NPLs) and special mention (SM) loans in the housing and auto segments as living costs and interest rates are elevated. NPLs of member financial institutions tallied 1.05 trillion baht in the third quarter of 2023, down from 1.09 trillion baht by 3.6% year-on-year, but up by 1.7% quarter-on-quarter.

NCB chief executive Surapol Opasatien said rising NPLs and SMs among housing and auto hire-purchase loans are a major concern attributed to the higher cost of living and rising interest rates. Debt repayment of auto loans began to show negative signs from the first quarter, and NPLs have increased from the second quarter, he said.

Despite the debt restructuring programme for auto loan borrowers offered by financial institutions, NPLs remained steady in the third quarter, according to the NCB. In the third quarter, auto NPLs tallied 207 billion baht, up 5.8% quarter-on-quarter. SM loans, defined as loans overdue from 30 to 90 days, for auto loan products totalled 213 billion baht for the period, declining by 4% quarter-on-quarter.

Even though financial institutions extended the maturity of auto loans under debt restructuring, the loan period is not in line with the business nature of the loan product, said Mr. Surapol. Normally, the average new car loan maturity is four years. When the maturity is extended, it is not in line with the loan period, he said. Under this scenario, SM loans in the auto sector did not significantly decline under the debt restructuring programme, according to the bureau. In the third quarter, SM auto loans tallied 213 billion baht, down 4% quarter-on-quarter.

Housing NPLs amounted to 182 billion baht for the period, up 2.3% quarter-on-quarter, while housing SM loans tallied 137 billion baht, up 6.6%, according to the NCB. Mr. Surapol said 70% of mortgage NPLs belong to specialized financial institutions (SFIs), with a maximum credit line of 3 million baht, based on bureau data. While customers received comprehensive debt restructuring schemes from SFIs, the rising cost of living is a key factor hampering the debt repayment ability of many borrowers.

"Though the pandemic ended, we are still facing its impact regarding debt. The data shows a steady amount of NPLs and SM loans for both housing and auto loans, quarter-on-quarter, so it is a major concern," Mr. Surapol said.

NCB
National Credit Bureau

According to the NCB, household debt tallied 13.6 trillion baht in the third quarter, up 3.8% year-on-year and 0.7% quarter-on-quarter, compared with household debt of 16 trillion as reported by the Bank of Thailand. ***Source: Bangkok Post***

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