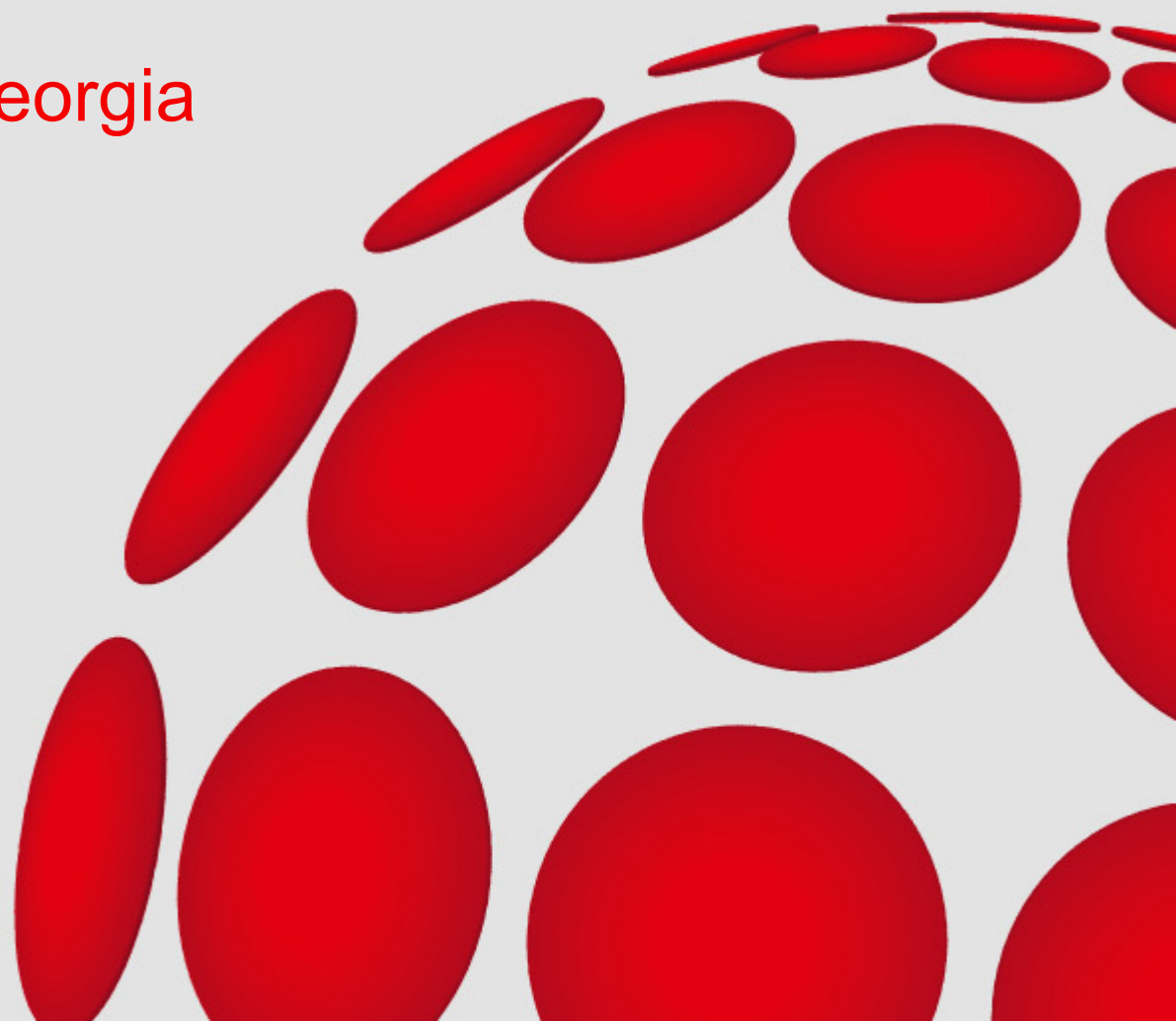


# Responsible Finance in Georgia

A Credit Bureau Perspective  
Creditinfo Georgia



## Agenda

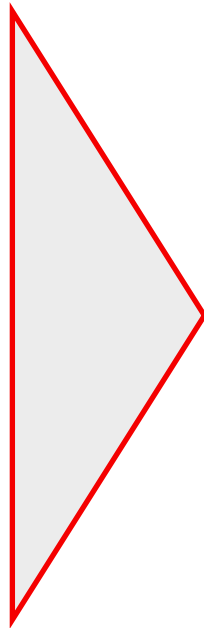
- ✓ Background Creditinfo Georgia
- ✓ Data Sharing Overview
- ✓ Benefits of Data Sharing
- ✓ Obstacles and Challenges

## JSC Creditinfo Georgia – Established in February 2005

Largest nationwide database created for the evaluation of current payment behaviours of individuals and companies in Georgia.

### Shareholders

- Creditinfo Schufa Group
  - International Credit Bureau  
Owner & Infrastructure Provider
- TBC Bank
- Bank of Georgia
- Procredit Bank
- Bank Republic
  - Soc Gen
- NCIB



Total number of records in the Database exceeds 2 Million shared across;

775,000 individuals



11,250 companies



## Data Sharing Overview

Originator of the Data is the Credit Grantors and Official Sources



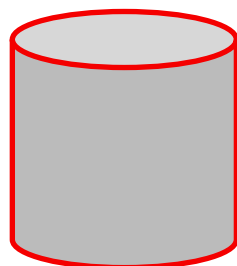
19 Banks



**CREDITINFO**  
 GEORGIA



12 MFIs  
 2 Leasing



Courts etc



Creditinfo consolidates and manages the information

## Simplified Credit Report

### Customer Details

Name and Address  
 ID Number  
 Customer Status

### Negative Details

Bad Debt – Overdraft 65655  
 Default Date 04-05-09  
 Amount \$1,000

### Basic Positive Details

Loan 11122  
 Date – Open 17-11-09 – Closed -----  
 Loan Amount \$1,000

### Full Positive Details (From March 2011)

Loan 34566  
 Opened Date 17-11-09  
 Loan Amount \$1,000  
 Current Balance \$ 475  
 Monthly Repayment \$ 45  
 Payment History 01000032100000  
 Collateral - None

## Benefits of Data Sharing

### Benefits

### Requirements

### On-going CI Initiatives

Over  
Indebtedness

- ✓ Current Indebtedness Identification
- ✓ Independent confirmation of Debts
- ✓ Identify growth of payments

- ✓ Requires full coverage of debts
- ✓ Improved with access to salary
- ✓ Other debts includes telecoms and utilities

- ✓ Lobbying Credit Grantors

- ✓ Lobbying Trade Creditors

- ✓ Lobbying Telecoms and Utilities

Credit Risk

- ✓ Early warning of payment problems
- ✓ Observe trends of worsening payments
- ✓ Identify amount of missed payment relative to total exposure
- ✓ Use at all Stages of Credit Cycle

- ✓ Comprehensive coverage of positive data
- ✓ Ability and skills to understand complex data

- ✓ Upgrade systems for full positive data

- ✓ Pricing Policy to Encourage increased usage

Regulatory  
Control

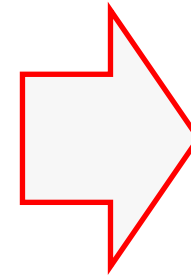
- ✓ Identify specific cases
- ✓ Benchmark relative risk across Credit Grantors

- ✓ Ad hoc and regular reporting

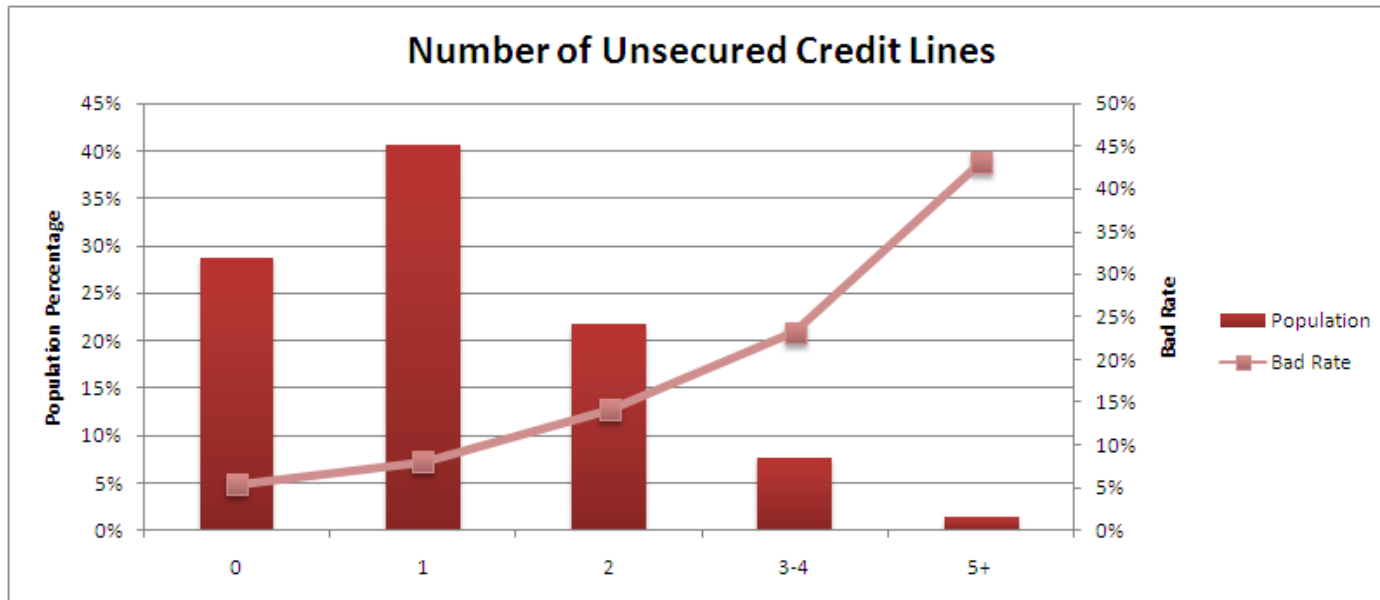
- ✓ Pricing Policy to lower entry for small MFIs

## Data Analysis to Re-enforce Benefits

- In a Credit Bureau we identified;
  - 25% of MFI customers will also have Bank records



Thus, Comprehensive Coverage is key to understanding Over Indebtedness



Credit Risk has a direct relationship with the number of credit agreements outstanding

## Obstacles and Challenges

### Consumers

- ✓ Change the perception from “Big Brother” to facilitator of Responsible and Cheaper Finance
- ✓ Part of this communication is via the Media, they typically focus on the fast news negative perspective

### Credit Grantors

- ✓ Obtain 100% Data Submissions
  - ✓ Fears of sharing their customers
  - ✓ Conflicting IT resources, not priority
- ✓ Use the information responsibly
  - ✓ Eg USA has the most comprehensive data to identify sub-prime and still provided mortgages to them

### Legal & regulatory

- ✓ Ensure that DPA regulation is coordinated with the CB
- ✓ Fine balance between Data Protection and Over Indebtedness Protection

## On-going CI Initiatives

- ✓ Working with Banks, MFIs and Central Bank to distribute leaflets to customers



- ✓ Continued dialogue with media together with partners
- ✓ With the new system CI will provide Training on using the Data

Creditinfo SCHUFA GmbH

Thank you

