



A Practitioners Perspective - Credit Bureaux and Data Protection in Europe

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Why are data so relevant for the lending process?

Personal information & scoring are main driver of “lean loans”

Time & convenience is money



Credit process automation offers

- Increased customer satisfaction:
Convenient applications, fast & uncomplicated credit decisions
- Efficient production:
process cost reduction by leaner and more standardised processes

Forecast power is money

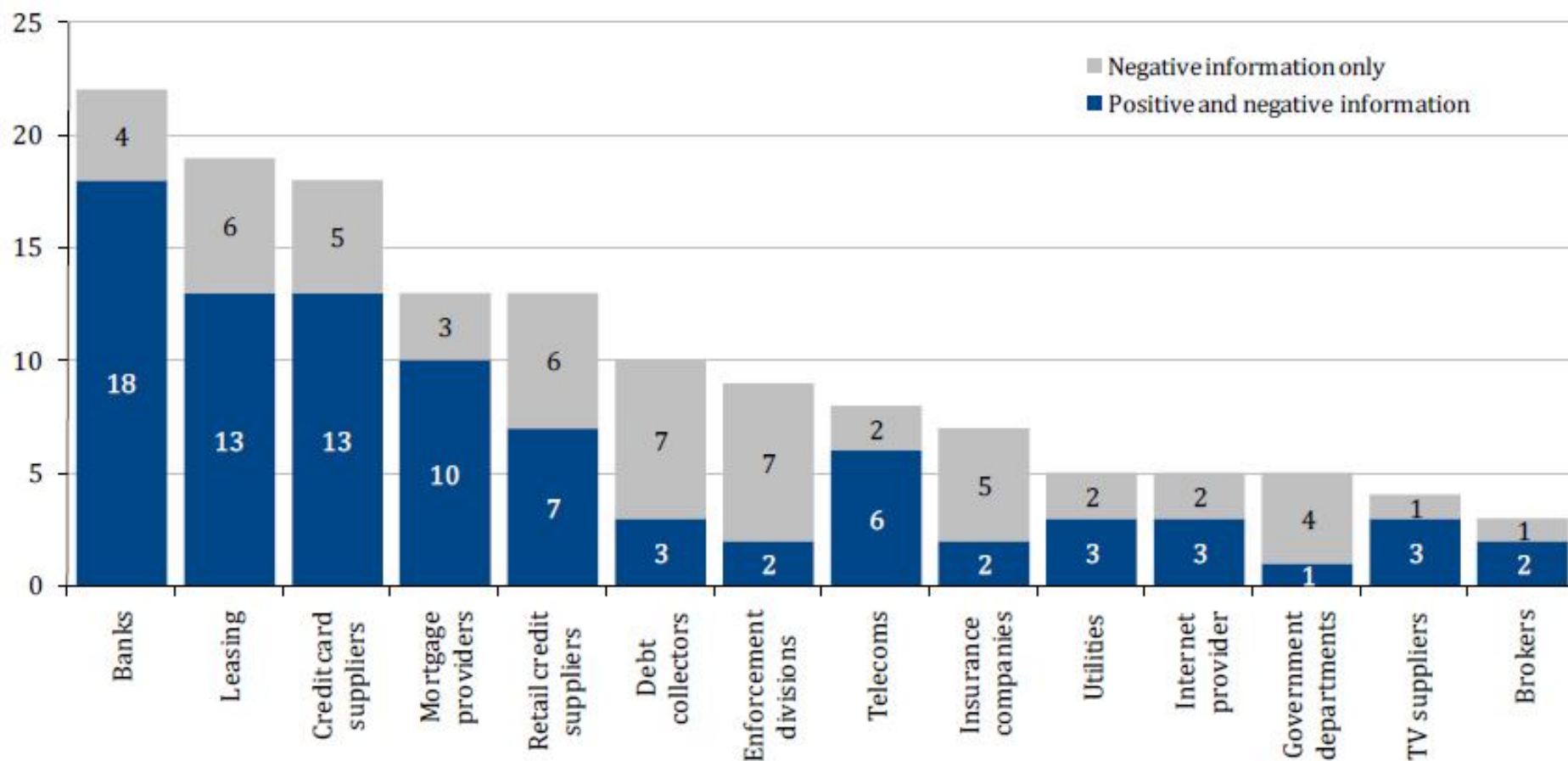


Emphasising high predictive power of rating & scoring aims at

- A reduced quote of rejected applicants (more „green“ cases)
- More specific covenants for a narrow band of „yellow“ cases
- Reduced default rates
- A risk-based, individualised and fair pricing

The current situation: Europe is very diverse (I)

User groups providing credit information data (# of countries)

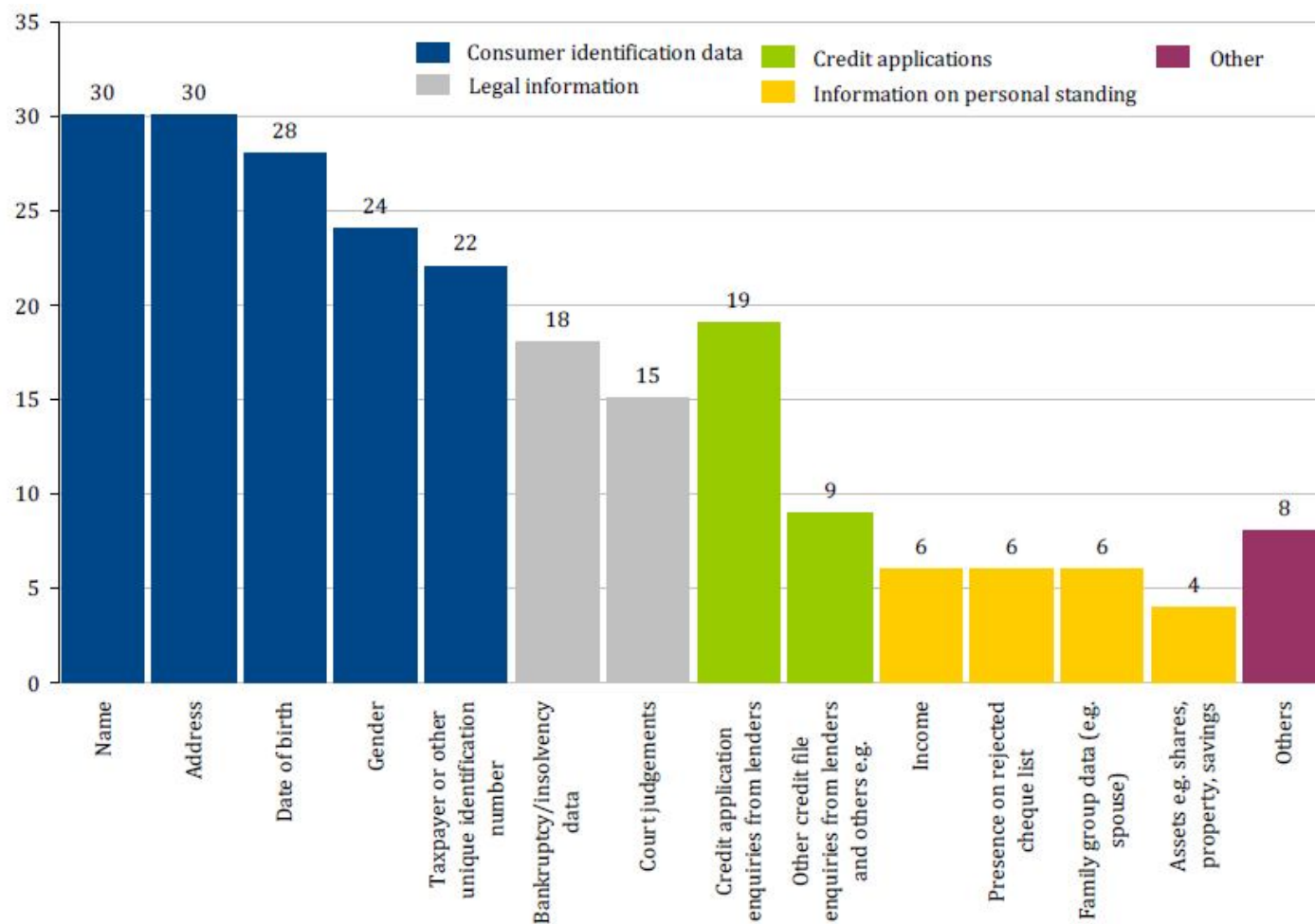


Source: Association of Consumer Credit Information Suppliers, ACCIS survey 2010

Source: The European Credit Information Landscape An analysis of a survey of credit bureaus in Europe, ECRI Industry Survey 2011
 30 of the 36 ACCIS members provided ECRI with completed questionnaires
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The current situation: Europe is very diverse (II)

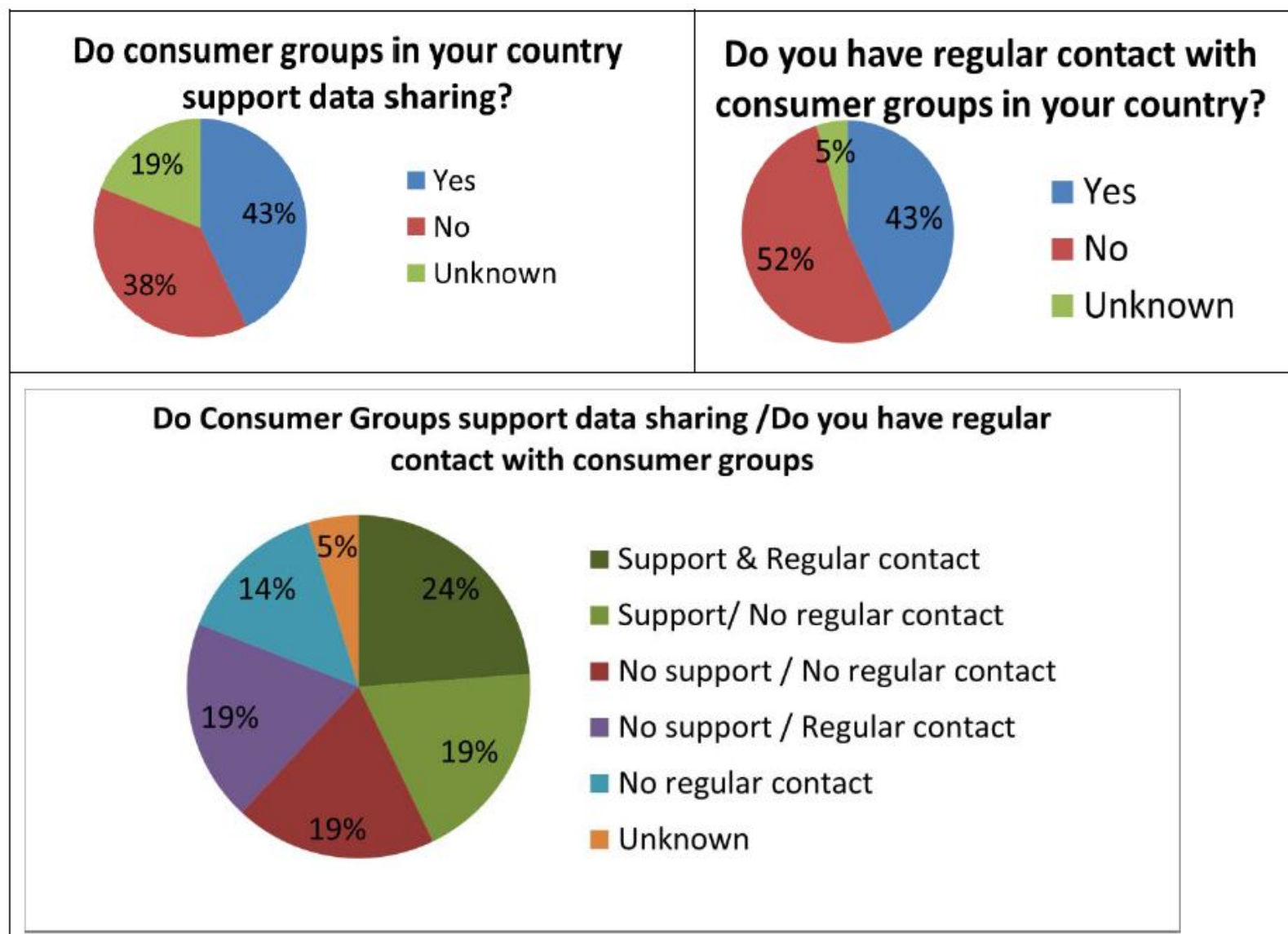
Data stored on the consumer (# of CBs)



Source: Association of Consumer Credit Information Suppliers, ACCIS survey 2010

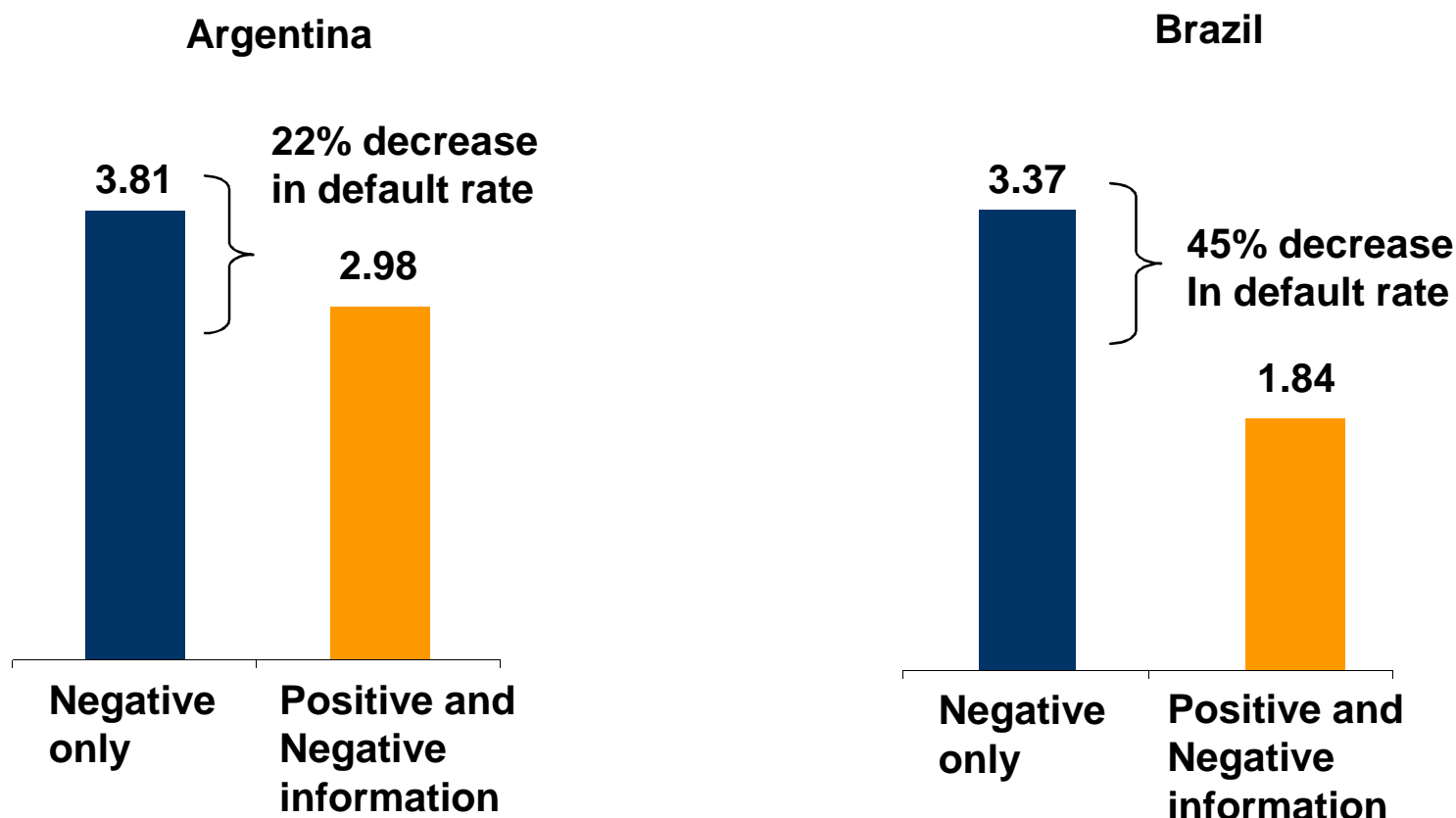
Source: The European Credit Information Landscape An analysis of a survey of credit bureaus in Europe, ECRI Industry Survey 2011
30 of the 36 ACCIS members provided ECRI with completed questionnaires
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The current situation: Europe is very diverse (III)



Source: ACCIS 2012 Survey of Members, An analysis of credit bureaus in Europe, January 2013
 Information provided by 28 ACCIS member firms across 21 countries
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Any measurable impact of data availability on financial services? E.g. Positive credit information reduces default rates



Note: Estimates are based on information on large loans from public credit registries in Argentina and Brazil. Graph represents predicted default rates at 60% approval rate. Based on Majnoni, Miller, Mylenko and Powell (2003) "Public Credit Information Systems: Evaluating Available Information", World Bank. Taken from Credit Reporting and Access to Finance, IFC Advisory Services

Thank you very much for your attention!

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