

**NEWS RELEASE**

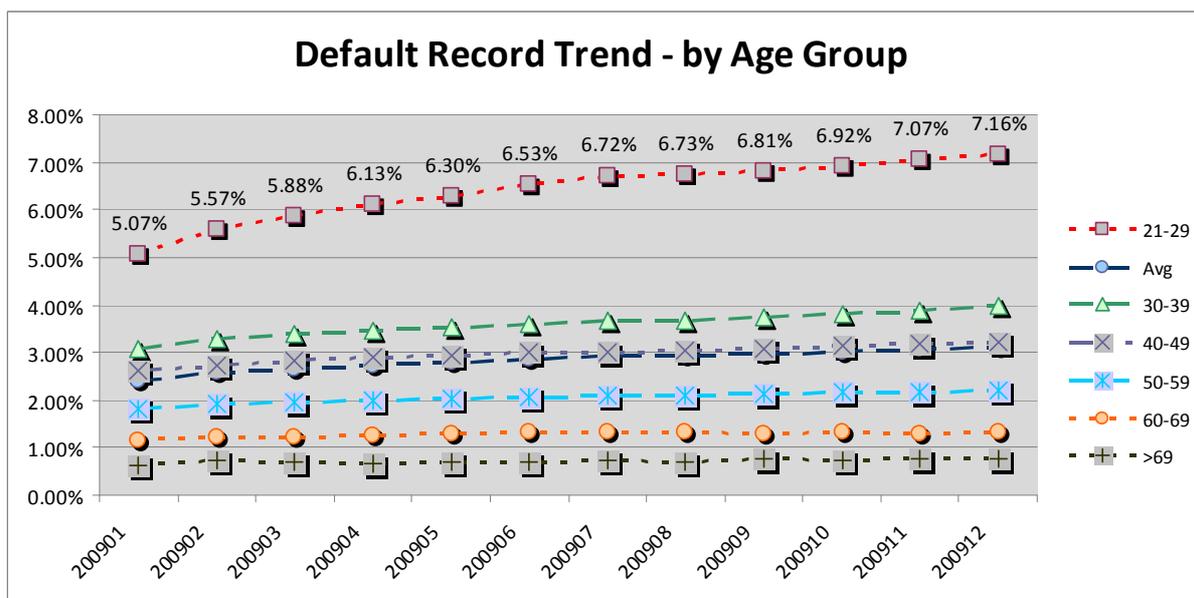
**YOUNG SINGAPOREANS SHOW TREND OF DEFAULTING ON DEBTS**

***DP Credit Bureau reveals increasing credit concerns of 21 to 29 year olds***

**May 21, 2010 [Singapore]** – DP Credit Bureau Pte Ltd (DPCB) today released figures that reveal that younger Singaporeans are increasingly defaulting on their debts, showing they are facing pressure to effectively manage the credit they are given.

The DPCB - a wholly owned subsidiary of DP Information Group (DP Info), Singapore’s leading provider of credit and business information – compiled the figures from payment data of its financial institution members.

The figures show the percentage of default<sup>1</sup> records of 21 to 29 year olds rose from 5.07% in January 2009 to 7.16% in December 2009 – making them the age group with the highest number of defaults. This means the rate of bad debts of Singaporeans between 21 and 29 years old is 130%, higher than the average rate for all consumers of 3.11%.



<sup>1</sup> Default Records refer to accounts which are 90 days past due; or are in default; have been closed with an open restructured loan; are closed with a negotiated settlement; have been involuntary closed with the surrender of security with outstanding balance.

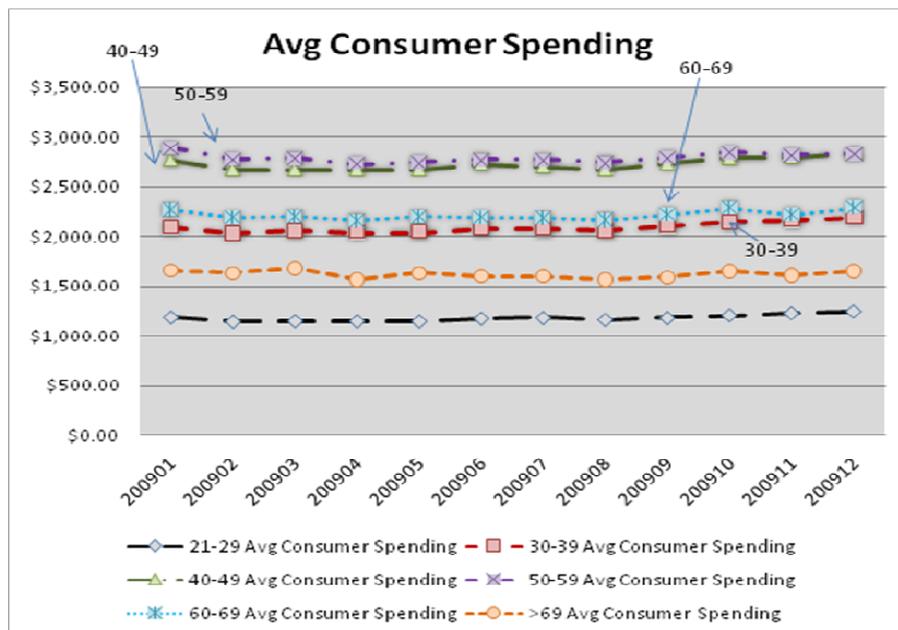
Not only do 21 to 29 year olds have the highest number of defaults, they also have the steepest percentage increase in bad debts during 2009.

Young Singaporeans have a higher than average rate of default across all debt types:

Type of Debt	% of impaired records 21 to 29 yr olds	% of impaired records all ages	% difference
<b>Credit Card</b>	7.54	3.88	+94.3%
<b>Overdraft</b>	1.27	1.16	+9.5%
<b>Mortgage</b>	0.54	0.42	+28.6%
<b>Motor Vehicle</b>	0.44	0.14	+214.3%
<b>Other</b>	4.25	1.17	+263.2

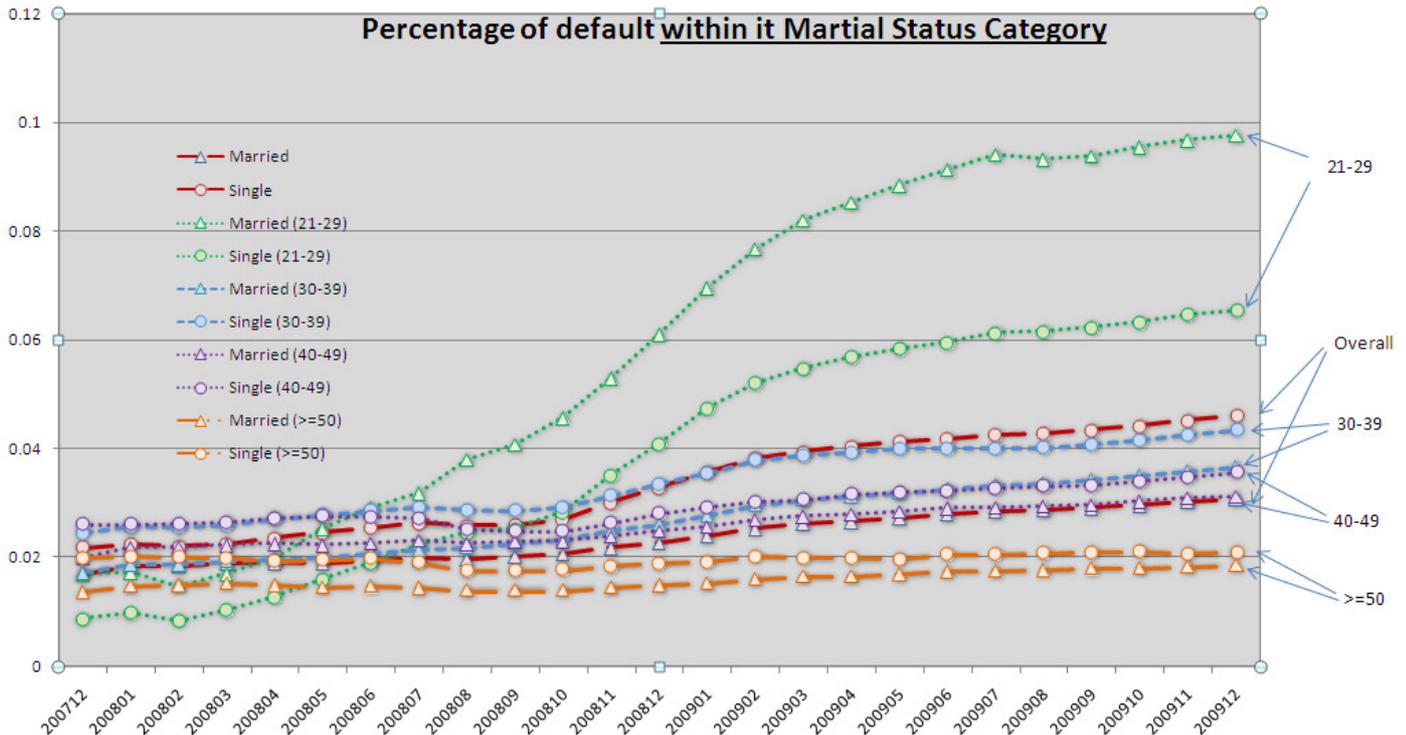
The DPCB figures show that throughout 2009, all age groups recorded an increasing number of credit defaults. After 21 to 29 year olds, the age group with the next highest percentage of bad records is the 30 to 39 year olds, with 3.97%. Singaporeans older than 69 have the lowest rate of default, but they also spend the least using credit.

The group with the biggest average spend using credit are the 50 to 59 year olds, with most of their debt acquired through spending on credit cards. However, this age group has a modest rate of bad debts – just 2.19% - well below the 3.11% average for the whole population. This places them as the age group with the highest credit prudence and management.



## YOUNG MARRIED COUPLES FEEL THE PINCH

The DPCB figures also show 21 to 29 years that are married have higher rates of default on debts than their single counterparts - a phenomenon unique to this age bracket. For all other groups, married individuals have a lower rate of default than singles of the same age.



Managing Director of DPCB, Ms Chen Yew Nah said that younger Singaporeans need to be more cautious in the way they use credit.

“We all understand how hard it is for young people – especially young married couples – to get ahead in life. There is always pressure to spend and to own the types of possessions that signify they are successful.”

“Unlike their older counterparts, many younger people do not have the financial strength and asset depth to deal with changes in their circumstances. The result is more are finding it hard to make their payments on time.”

“Another area younger Singaporeans need to be more diligent is in making repayments on time. This is the age when young Singaporeans graduate and enter the workforce, so

it the first time they have access to credit. They may not be experienced at managing their debts and their personal budgets. This lack of discipline will hurt them in the long run as it ends up affecting their credit rating and their ability to access credit in the future.”

“Since young married Singaporeans are more likely than any other groups to have bad debts, they need to reassess their spending plans and set themselves more realistic budgets that they can stick to,” Ms Chen said.

### **DPCB’s CONTINUING OUTREACH TO CONSUMERS ON CREDIT EDUCATION**

DPCB is aware that consumers across the spectrum have a desire to learn more about how to manage and improve their personal credit, credit reputation and financial matters.

DPCB provides education to consumers to increase their awareness about the role and function of credit throughout their life, as this has a great bearing on the quality of their lives in the future. This is especially true for younger consumers as credit habits are formed early in life.

“Many consumers can avoid falling into credit traps if they have a greater understanding and appreciation of how these tools can be used and managed to their advantage. Prevention is certainly the better way to go, where credit is concerned,” emphasized Ms Chen.

DPCB will continue its national consumer education outreach activities in 2010, on topics such as “Credit Consciousness for Consumers New to Credit”, “Money Matters in Marriage” and “Family Financing”. These credit outreach programmes are seminars hosted with grassroots organisations such as CASE and community centres.

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## ABOUT DP INFORMATION GROUP

**DP Information Group** (DP Info) is Singapore's leading credit and business information bureau. A veteran of over 3 decades, it currently serves 98% of Singapore's financial institutions and 75% of its leading law firms. Through its online information portal, QuestNet, DP Info enables clients to make confident credit management decisions everyday based on comprehensive, accurate and reliable information.

DP Info offers a credit scoring solution for the national credit consumer market and is also a developer of DP Credit Ratings, a proprietary corporate credit ratings model based on the probability of default.

DP Info is an advocate of the SME and entrepreneurial communities. Through its ACRA-appointed service bureau, DP Bureau, it assists these 2 segments in starting their business and operating them effectively and efficiently through their initial years.

DP Info Group's institutional stakeholder is Experian®, one of the world's largest credit reference agencies. With this relationship, Experian brings to DP Info global technical and developmental expertise in a wealth of areas including consumer and corporate credit analytics. Additionally, it enhances DP Info's existing services and enables the implementation of international best practices to meet the demands of a global economy. Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index.

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