

DP LAUNCHES SINGAPORE'S FIRST CONSUMER CREDIT SCORE

DP-Delphi Score makes it easy to understand your credit report

Gives consumers the power to change how lenders view them

19 July 2011 [SINGAPORE] – The days when individuals struggled to make sense of their own credit report are over with the launch of the easy to understand DP-Delphi Score.

For the first time in Singapore, consumers can see the information in their credit report expressed as a three digit number - the higher the number, the better an individual's credit worthiness.

The DP-Delphi Score is a joint initiative of DP Credit Bureau (DPCB) and the world's largest credit reference agency, Experian¹. A credit score is a statistically-generated number based on an analysis of an individual's credit payment history and other related information.

Mr Lincoln Teo, General Manager of DPCB, said the DP-Delphi Score gives consumers an unprecedented level of transparency on how lenders will view them.

“We believe publishing the DP-Delphi Score on credit reports gives consumers a powerful tool for managing their finances. Once you know and understand your credit score you can take action to improve or maintain it.”

“Many consumers find credit reports confusing as they contain a whole range of data and it is hard to determine which information is important to lenders. That's why we

have introduced the three-digit DP-Delphi Score to let consumers know exactly where they stand.”

“The use of credit scores is widespread and well understood by consumers in the United States and Europe. Over time, and with public education, we expect the same level of acceptance of credit scores among Singapore consumers,” Mr Teo said.

The DP-Delphi Scores has a range of between 0 and 781; however the overwhelming majority of consumers have a score that falls between 220 and 781. The scores are banded into four rankings to make interpretation by consumers easier - Strong, Good, Fair or Weak.

The DP-Delphi score combines DPCB’s local knowledge of Singapore’s lending market with Experian’s globally accepted methodology. Experian’s proprietary credit scoring methodology is internationally recognised as ‘Best in Class’ and has been successfully employed in more than 40 countries. It is used by more than 1000 financial institutions worldwide to make lending decisions, with more than 200 million individual scores being generated each year.

The DP-Delphi Score’s accuracy has been tested through a robust validation process that was conducted by a number of major financial institutions that are members of DPCB. The accuracy of the DP-Delphi Score in Singapore is the same as other countries where the Delphi methodology is used.

BENEFITS TO LENDERS

The introduction of credit scoring is a step forward in creating a more mature and sophisticated credit environment in Singapore. As a world-class credit assessment tool, the DP-Delphi Score will help Singapore’s financial institutions maximise revenue and minimise the risk of bad debts.

The key benefit to lenders is the score’s extensive base of information from both banks and non-bank sources, as well as its predictive accuracy.

Mr Dennis Martin, Experian's Managing Director of South East Asia said the launch of the DP-Delphi Score will move the Singapore financial industry closer to a more quantitative approach to lending.

"Experian's modelling techniques use the existing credit history of an individual to develop the score. The score sieves out what is important, how representative that piece of data is and then measures what weight each piece of data is given."

"Experian's proprietary credit scoring methodology is used by lenders throughout the world due to its proven track record of predicting the credit behaviour of consumers," Mr Martin said.

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DP-Delphi Score FAQ

Q1. What is the DP-Delphi Score?

A. The DP-Delphi Score measures the credit worthiness of an individual, based largely on their payment behaviour in the past. The DP-Delphi Score is the first credit score to be published on a credit report in Singapore, allowing the individual to see how their credit standing is rated. Expressed as a three digit number, the DP-Delphi Score was developed in partnership with Experian®, one of the world's largest credit reference agencies.

Q2. What is a credit score?

A. A credit score is a statistically-generated number that indicates an individual's credit worthiness. In other words, it is an indication of the probability that a person will repay a debt extended to them on credit.

Q3. What information goes into generating the DP-Delphi Score?

A. Information from three key sources is used to compute the DP-Delphi Score:

1. Banking information, such as how timely an individual makes repayments on credit cards, auto loans, student loans, mortgages and other forms of credit. It also considers the number and type of credit facilities a person has;
2. Public records, such as financial-related litigation and bankruptcy files; and
3. Non-bank repayment data contributed by Singapore businesses that are members of the DP SME Commercial Credit Bureau including co-operatives, retail stores, moneylenders etc.

Q4. How does a credit score help me to understand my financial health?

A. DP Credit Bureau generates the DP-Delphi Score for an individual whenever a consumer credit report is purchased. The credit score allows an individual to understand the relative strength of their ability to repay a credit facility.

Q5. How do I interpret the DP-Delphi Score?

A. To assist individuals to understand their credit score, five categories are used:

Weak	0 to 420
Fair	421 to 580
Good	581 to 720
Strong	721 and above
N.A.	No score is available

Q6. Why don't I have a credit score?

A. Credit score models cannot generate a score without enough credit information. If an individual has little or no credit history with the credit bureau, a credit score will not be available.

Q7. How does a credit score help my lenders in the borrowing process?

A. The DP-Delphi Score gives the lender an indication of the potential borrower's propensity to pay, while taking into account the lender's risk appetite. Most businesses that provide credit or loan services use credit scores as a summary to quickly ascertain a consumer's credit worthiness. This translates into efficiency as it can reduce the need to manually review all the details in an applicant's credit report, leading to better, faster decisions.

Q8. Is the DP-Delphi Score the only determinant in deciding the loan application?

A. No. Most banks and lenders use additional factors in the consideration of a request for credit. Credit bureaus do not make lending decisions on their behalf.

Q9. Who decides if I get a loan?

A. The lender does. This may be a bank, a credit card company, auto dealer, retail stores or any other company that does business on credit. Whether an application is approved is the decision of a company's credit department, taking into account the individual's credit score, internal policy guidelines, risk appetite as well as additional information that they may request from the applicant.

Q10. Does my DP-Delphi Score change?

A. A credit score is dynamic. It may change as monthly information is added into a person's credit file. For example, if negative information such as evidence of financial litigation or a payment default is introduced to a consumer's credit file, it may weaken their credit score and impact their ability to borrow.

Q11. How can I improve my DP-Delphi Score?

A. Paying bills on time is generally the best way to earn a good credit score. Poor records of repayment of any bills, for any length of time, might generate a negative piece of data which translates into a lower credit score and might not be viewed positively by lenders.

Q12. Does having too many credit cards affect my DP-Delphi Score?

- A. Having many credit cards with high balances that are poorly maintained may negatively impact one's credit score, especially if there is a poor history of repayment in other areas.

Q13. Can my DP-Delphi Score be wrong?

- A. A credit score is based on the information in the credit bureau's database, which comes from various sources. Individuals who feel their credit score is incorrect should look for inaccuracies in their personal credit history. DP Credit Bureau will work with the lenders to check on the accuracy of the credit information provided. A thorough screening by an individual of their personal credit report can help identify any inaccurate information.

Q14. Where can I get a copy of my DP-Delphi Score?

- A. Your DP-Delphi Score is published on your *DP Credit Bureau Personal Credit Report*, which can be purchased for SGD\$2.50 (including GST) through the following channels:
1. Over-the-Counter at DP Info's offices at 72 Bendemeer Road, #04-28 Luzerne, or at 10 Anson Road, #05-17 International Plaza; or
 2. Online via DP Credit Bureau's website (www.dpcreditbureau.sg).

Q15. Who should I contact if I have questions on the DP-Delphi Score?

- A. If you have any queries, please contact DP Credit Bureau on +65 6738 1900 from Mondays to Fridays (8:45am – 6:15pm). Alternatively, you can direct your questions to us by email at support@dpgroup.com.sg. We will reply to you by the next working day.

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 Rating, 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 is part of the Experian® Group, one of the world's largest credit reference agencies. Experian delivers 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.

Information Services

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- Singapore 1000, Singapore SME 1000, Singapore International 100 and Fastest Growing 50 Rankings
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- Corporate Secretarial & Management Services

*DP Information Network Pte Ltd is an ISO/IEC 27001
Information Security & Data Management certified company.
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ABOUT EXPERIAN

Experian is the leading global information services company, providing data and analytical tools to clients in more than 80 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2011 was US\$4.2 billion. Experian employs approximately 15,000 people in 41 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

For more information, visit <http://www.experianplc.com>.

ⁱ Experian is the majority owner of DP Information Group which runs DP Credit Bureau.