



Friday November 19, 2010
New Delhi

Telecom Fraud Management & Revenue Assurance 2010

Telecom- CIBIL partnership: Driving sustainable growth

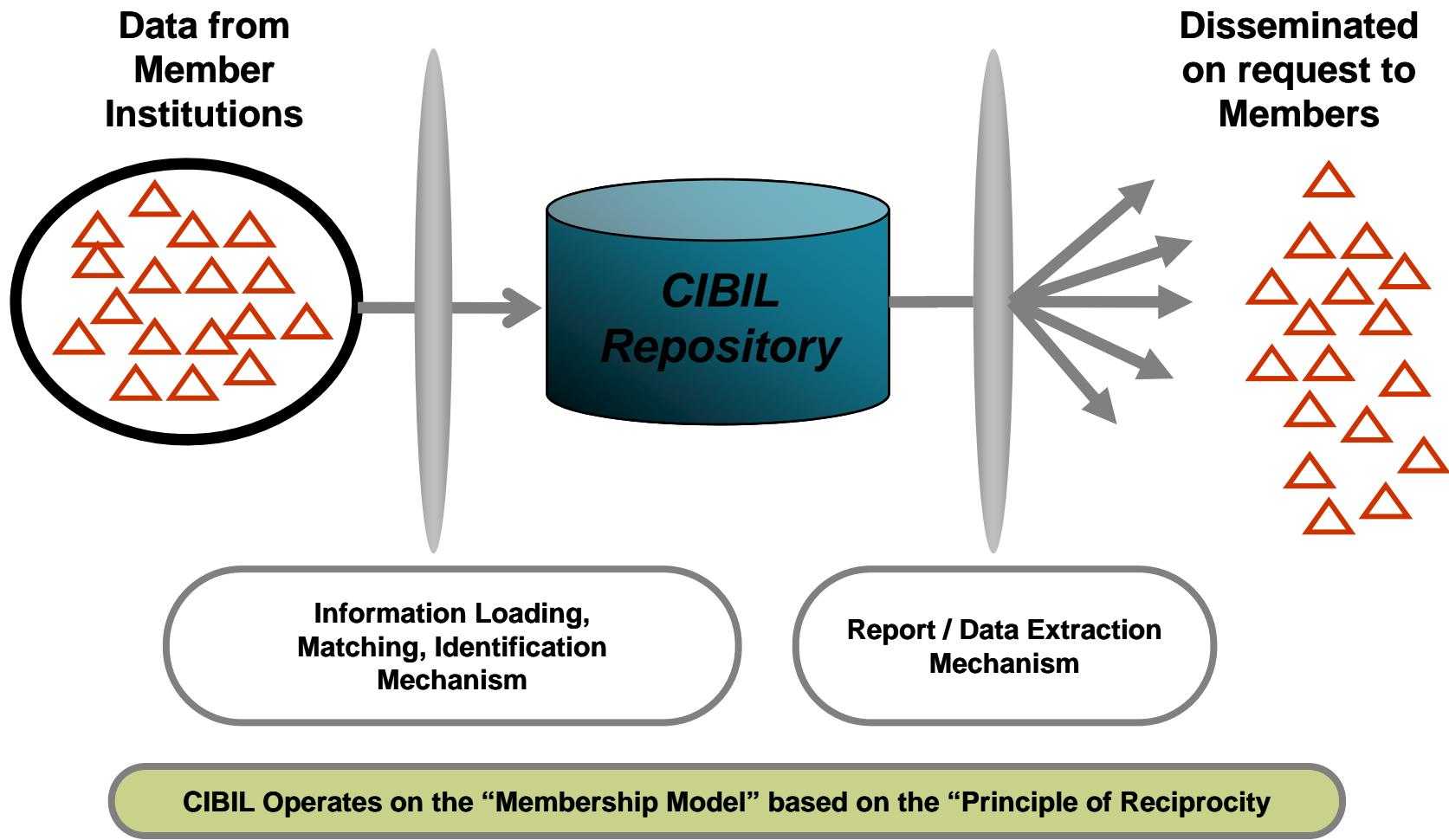
Arun Thukral
Managing Director
Credit Information Bureau (India) Limited
arun@cibil.com



Agenda

- Credit Bureau concept
- Compliance
- CIBIL's evolution and growth
- Telecom- CIBIL partnership

Credit Bureau Business Model



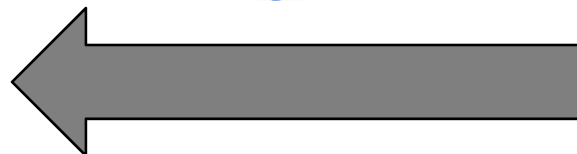
Role of CIBIL

Borrower applies to Bank for loan/credit



Bank decides on the application basis the applicants Credit Report and other factors like income etc

Bank approaches CIBIL to check applicants credit history



CIBIL gives the Bank the applicants Credit Information Report



Credit Information Reporting- Global Experience*

- Decreases information asymmetries between borrowers and lenders
- Allows lenders to more accurately evaluate risks and improve portfolio quality
- Eases adverse selection problem and lowers the cost of credit for a good borrower
- Increases credit volume/ improves access to credit
- Supports introduction of credit scoring and automated underwriting, lowers lender operational costs and improves profitability

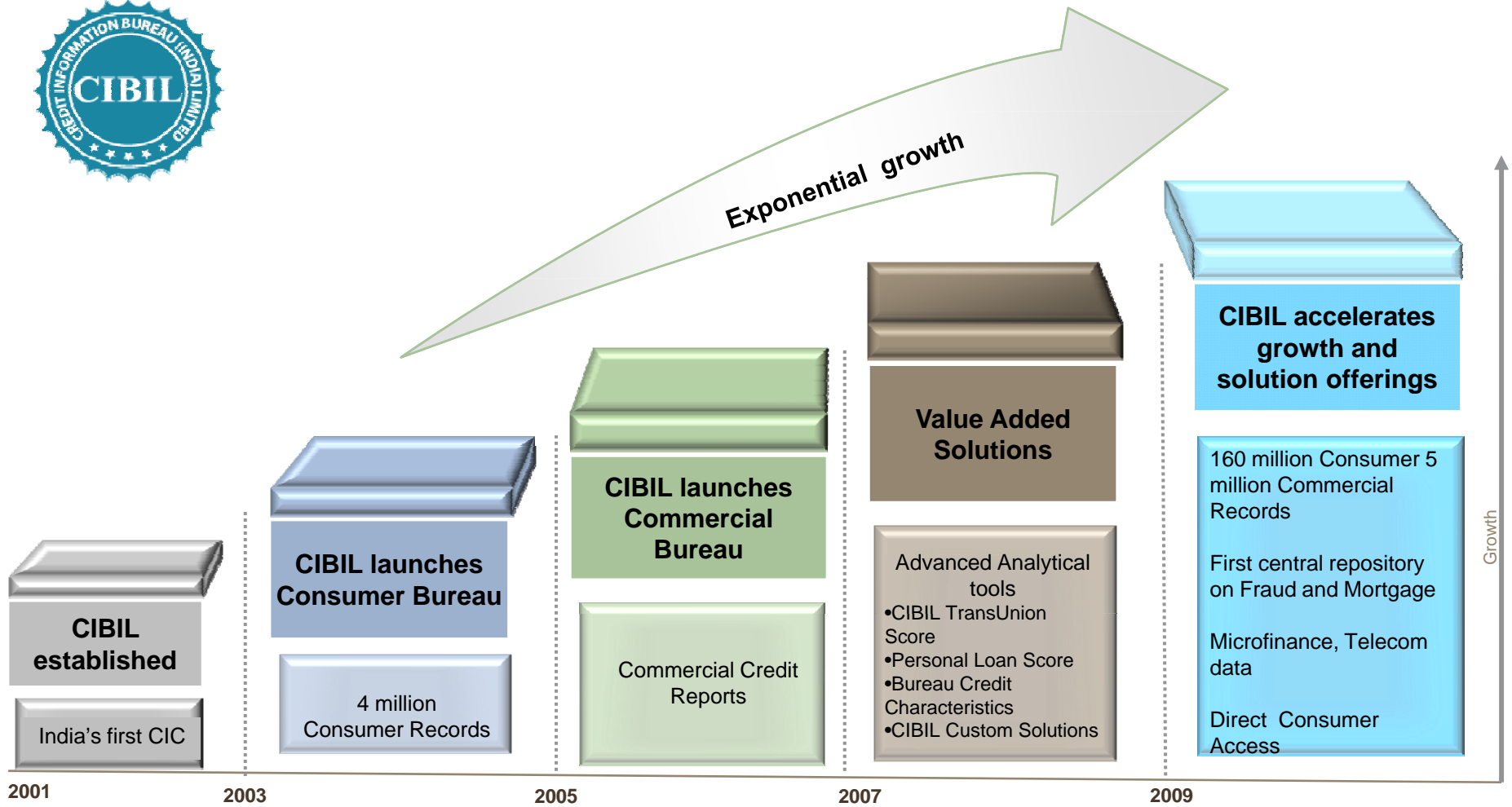
In a nutshell: Increased Transparency + Differential Pricing = Credit Penetration



* PERC Study: The Structure of Information Sharing and Credit Access; Lessons for Policy

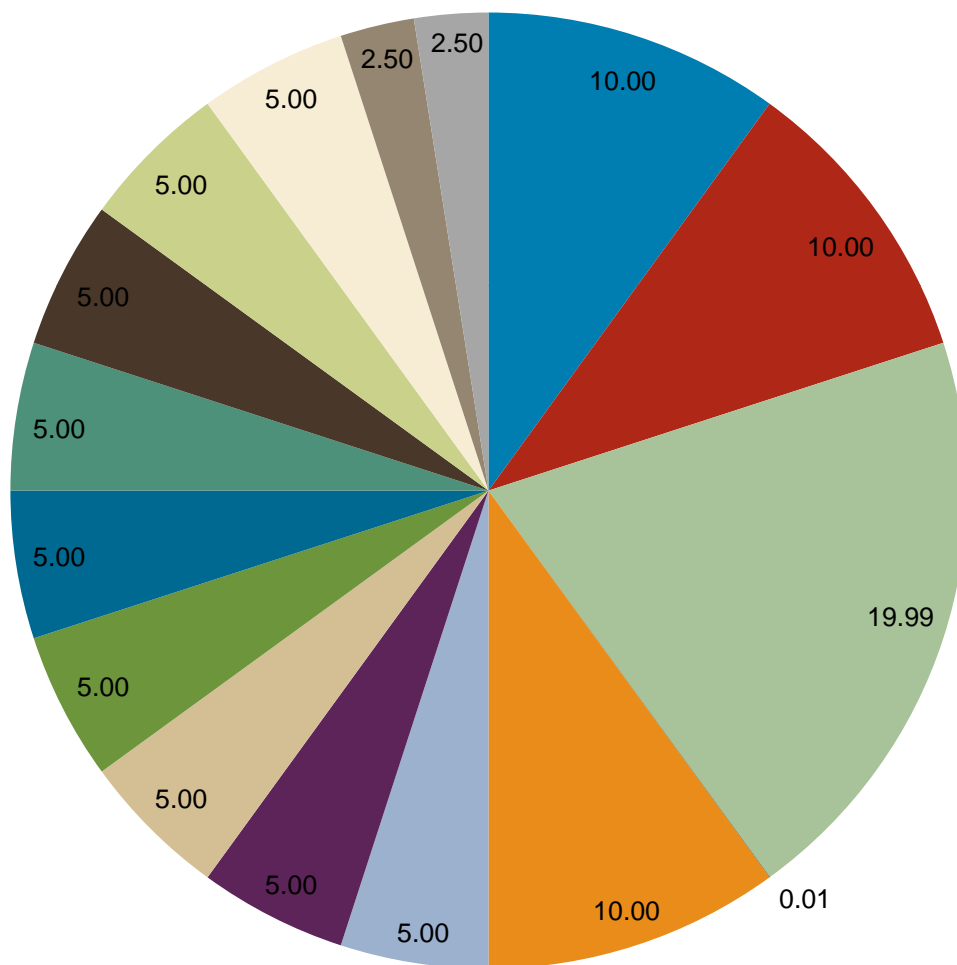
CIBIL's History and Evolution

Evolution of India's first Credit Information Company



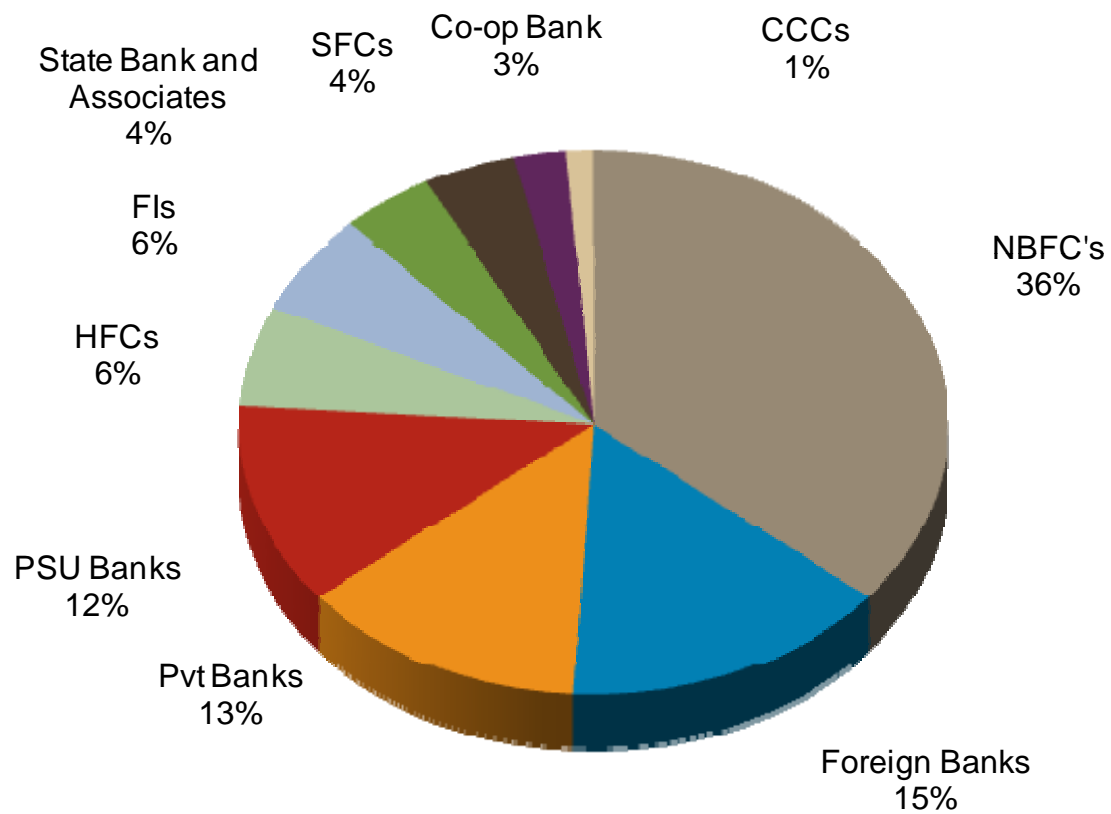
Moving towards the development of one of the world's largest Credit Information Company

CIBIL – The Shareholders



- State Bank of India
- Housing Development Finance Corporation Ltd.
- Trans Union International Inc.
- Dun & Bradstreet Information Services India Pvt. Ltd.
- ICICI Bank Ltd.
- Bank of Baroda
- Bank of India
- Central Bank of India
- Punjab National Bank
- Union Bank of India
- Citicorp Finance (India) Ltd.
- The Hong Kong and Shanghai Banking Corpn. Ltd.,
- Standard Chartered Bank
- Indian Overseas Bank
- GE Strategic Investment India
- Sundaram Finance Ltd.

CIBIL Members



Over 300 institutions have membership with CIBIL

Technology Partners



- TransUnion International- a leading global credit bureau with presence in over 30 countries



- Dun and Bradstreet- a leading global provider of credit information and insights on businesses

Components of the Credit Information Companies (Regulation) Act, 2005



**Enacted and regulated by
the RBI**

Consent

Eliminates the need for consent to report data

Complete Information

Requires financial and credit information companies to report timely and accurate information

Telco's & Insurance

Allows telecommunications and insurance companies access to CIC credit information

Consumer Access

Gives consumers the right to access their individual credit information report directly from a CIC

How does CIBIL impact Credit Grantors?

- Objective and informed decisions
- Greater efficiency at a lower cost
- Lowers delinquency risk
- Improves credit portfolios
- Allows credit grantors to price the risk appropriately



How does CIBIL impact Consumers?

- Expedites the credit approval process
- Encourages consumers to maintain greater self discipline in acquiring financial commitments
- Allows consumers to build reputational collateral by following correct repayment behavior
- Provides the consumer with an opportunity to improve their standard of living through easier access to credit

More transparency and understanding for the consumer with regards to the credit approval process



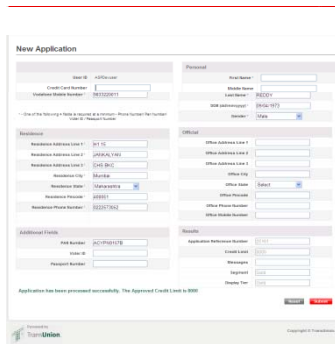
Telecom Sector- CIBIL:
A win-win partnership

Leveraging the power of credit data across the lifecycle



CIBIL and TransUnion have designed web-screen and decisioning solution for real-time acquisition and limit assignment at Operator stores

DATA CAPTURE



- Customized web-screen for sales force of Operator to accurately capture data
- In-built field validations

DECISIONING



CIBIL



- Send request to CIBIL for credit reports
- Run Operator credit limit algorithm and return decision with credit limit to web-screen

INTEGRATION WITH CLIENTS SYSTEMS



- Collate data and send to Operator's acquisition system

The web-screens have been designed for optimizing data capture and enhanced decisioning

New Application

User ID	ASPDevuser
Credit Card Number	<input type="text"/>
Mobile Number *	9833220011

* - One of the following 4 fields is required at a minimum - Phone Number/ Pan Number/ Voter ID / Passport Number

Residence Address Line 1 *	H1 15
Residence Address Line 2 *	JANKALYAN
Residence Address Line 3 *	CHS BKC
Residence City *	Mumbai
Residence State *	Maharashtra
Residence Pincode *	400051
Residence Phone Number *	0222573052

PAN Number	ACYPN915/B
Voter ID	<input type="text"/>
Passport Number	<input type="text"/>

Personal	
First Name *	<input type="text"/>
Middle Name	<input type="text"/>
Last Name *	REDDY
DOB (dd/mm/yyyy) *	09/04/1973
Gender *	Male

Official	
Office Address Line 1	<input type="text"/>
Office Address Line 2	<input type="text"/>
Office Address Line 3	<input type="text"/>
Office City	<input type="text"/>
Office State	Select
Office Pincode	<input type="text"/>
Office Phone Number	<input type="text"/>
Office Mobile Number	<input type="text"/>

Results	
Application Reference Number	25161
Credit Limit	8000
Messages	<input type="text"/>
Segment	Gold
Display Tier	Gold

Reset Submit

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All information captured on online screens are integrated with operator's system and CIBIL in real time

Decision with credit limit returned in real-time to customer

Application has been processed successfully. The Approved Credit Limit is 8000

Telecom- CIBIL: Symbiotic partnership

CIBIL

Strengthens CIBIL database: alternative credit data

Regulatory implications

CICRA 2005– Credit data usage and reporting by Telecom industry

TRAI regulations

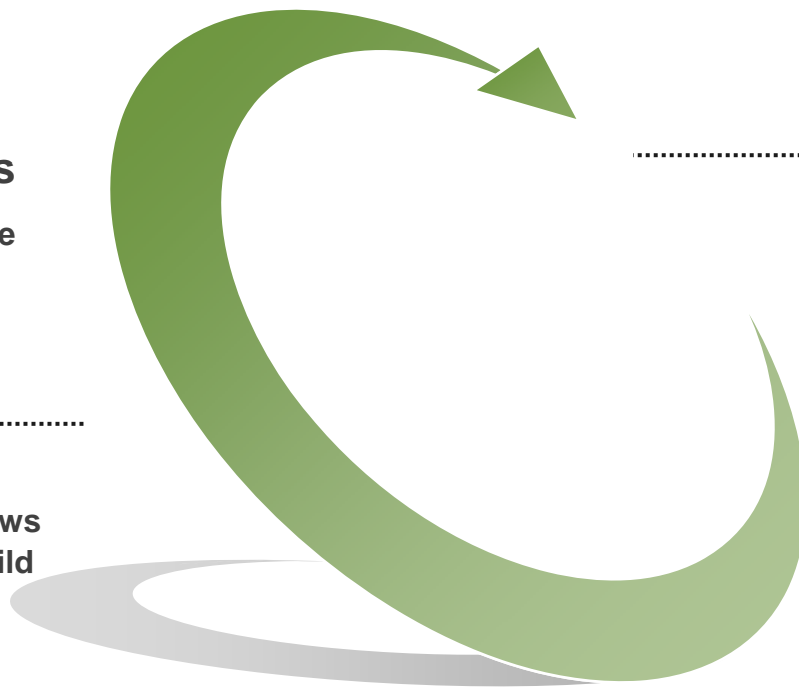
Financial inclusion- allows new to credit consumers to build credit history

TELECOM

Information backed decisioning across customer lifecycle

Number Portability-Deterrence for fraudulent and default prospects

**Continuous Improvement of Consumer Experience
Fraud Detection**



Creating sustainable growth avenues for all stakeholders.....

Thank you