



Agenda

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1-What is a credit Bureau:

- An institution that collects information from creditors and available public sources on a borrower's credit history. The bureau compiles information on individuals and/or small firms, such as information on credit repayment records, court judgments, and bankruptcies and then creates a comprehensive credit report that is sold to creditors.

[I-Score as highlighted in IFC Credit Bureau Knowledge Guide Jan-2007.](#)

“ The first credit bureau in Egypt, which demonstrates how a private credit bureau can be set up in a relatively short time when all stakeholder interests are aligned and the project has backing of the authorities ”



2- Forms of a Credit Bureau

| | |
|--------------------|--|
| World Class Bureau | <ul style="list-style-type: none"> -Negative info -Positive info -Public domain data -Risk management -Fraud prevention -Consulting services |
| Full Bureau | <ul style="list-style-type: none"> -Negative info -Positive info |
| Basic Bureau | <ul style="list-style-type: none"> -Negative info |

Banks and Non-Banks Credit Bureau

Consumer and Commercial Credit Bureau

I-Score

3- Introduction to I-Score

- In August 2005, the Central Bank of Egypt gave its approval for establishing Egypt's first Credit Bureau The Egyptian Credit Bureau (I-Score).
- Founders and shareholders of the Bureau are 25 banks in addition to the Social Fund for Development.
- The board of Directors consists of 11 members, 8 representatives of their respective banks and 3 for their Personal Expertise.
- In September 2006, I-Score and Dun & Bradstreet International (D&B) signed a contract appointing D&B as Project and Technology Consultants to provide I-Score with the technology and know-how of Credit Bureau Application.
- Target market: Banking Sector, non banking sector and suppliers of goods and services
- Protection of privacy: According to rules and regulations of CBE, individuals' and SMEs' information will be dealt with confidentially and will be released to members to whom they applied for credit

I-Score



4- Mission Statement

- Our fundamental obligations are:
- To generate "TRUST" among members, among borrowers and the public at large.
- To be not only "Trust Worthy" but also "Effective" in introducing changes to the Egyptian Credit Industry and to modify the culture & behavior of the borrower.
- To handle information base with care and diligence, protect Consumer Privacy and abide by all business regulations and ethics.
- Our "Neutral" stand will be based upon the experience of an internationally respected and widely recognized Technical & Business service provider.



5- Shareholders:

- Al Watany Bank of Egypt
- Alexandria Commercial & Maritime Bank
- Arab Bank
- Arab International Bank
- Bank of Alexandria
- Banque Du Caire
- Banque Misr
- Blom Bank Egypt
- BNP Paribas
- Commercial International Bank (CIB)
- Credit Agricole Bank
- Delta International Bank
- Egyptian Saudi Finance Bank
- Export Development Bank of Egypt
- Faisal Islamic Bank of Egypt
- HSBC Egypt
- Industrial Development Bank of Egypt
- Mashreq Bank
- Misr Iran Development Bank
- National Bank for Development
- National Bank of Egypt
- National Societe General Bank (NSGB)
- Piraeus Bank
- Principal Bank for Development & Agricultural Credit
- Societe Arabe Internationale De Banque
- [Social Development Fund](#)





5- Board Members: (cont)

- Mr. Mohamed Ahmed Abd EL Salam Kafafi (Banque Misr) (Chairman)
- Mr. Mahmoud Abd El Aziz (Vice Chairman)
- Mr. Mohamed Refaat Al Houshy (Managing Director)
- Eng. Tarek Raouf Faek
- Mr. Mohamed Nageeb Aly Ahmed (National Bank of Egypt)
- Mr. Mohamed Mashour (Banque du Caire)
- Mr. Hesham Hamdy (Bank of Alexandria)
- Mrs. Sahar El Damaty (HSBC)
- Mrs. Azza Ahmed Radwan (Commercial International Bank – Egypt)
- Mr. Adel Ezzat (Piraeus Bank)
- Mr. Mohamed Mokhtar Mehrez (Social Fund for Development)



6. Legal Environment



6- Rules, Regulations and License for Egyptian Credit Bureau

- 2005 Adjust Banks Law no 93 Y2005 Article 99.
- 2005 Adjust Account Secrecy law no 93 for Y2005 Article 67.
- Aug-2005 The requirements and procedures to license credit bureaus was approved.
- Jan-2006 The Board of the Central Bank of Egypt, approved the rules & regulations organizing:
 - The Operations of Credit Bureaus
 - Exchange of information between, Banks, Mortgage Finance and Financial Leasing Companies and Credit Bureaus and the Central Bank Supervisory System.
- The Legislation allows, subject to provisions of Article 99 in law no. 88 for 2003 and its amendments - Banks, Mortgage Finance and Finance Leasing Companies to share data with the credit bureau without obtaining borrower consent.



6- Rules, Regulations and License for Egyptian Credit Bureau (cont)

- The Legislation also mandates all Users i.e. Subscribers of I-Score which have the legitimate purpose to inquire, obtain credit reports and the services provided by the Bureau.
- The Permissible Purpose for inquiring and obtaining credit report is as follows:
 - As per a court sentence, court order or arbitration
 - Providing, increasing, renewing, or amending the terms of any form of credit,
 - Accepting a guarantee in any form
 - Determining the credit scoring of the client who is applying for the credit or reviewing the credit position to determine regularity in meeting his commitments in due dates
 - As per a signed consent from the client





7- Project Timeline

- Project Start : 20-Sept-2006
- Business Integration track (Team mobilization and Organization building)
 - Start – Sept 2006
 - End – Mar 2007
- Legal and regulatory track
 - Start – Oct 2006
 - End – Nov 2006
- Business Process track (Input file, Credit information report, consent, code of conduct, membership contract, PR related work etc).
 - Start – Oct 2006
 - End – May 2007
- Technology track (Requirement, design, customization, deployment and testing).
 - Start – Oct 2006
 - End – Jun 2007
- Data Cleansing / Pilot Operation July 2007

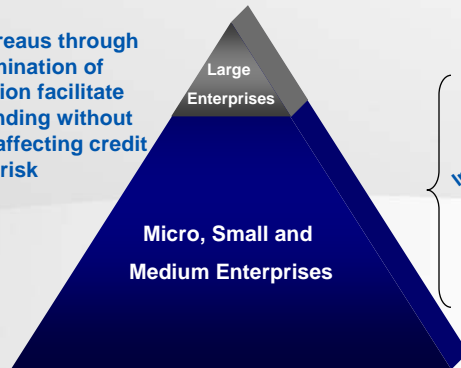


8. Advantages of availability of information

8- Increased focus on lending to micro, small and medium enterprises (MSMEs)

- Traditionally, lending to MSMEs is seen by banks as high risk business, mainly on account of absence of comprehensive and reliable credit information

Credit Bureaus through dissemination of information facilitate MSME lending without adversely affecting credit risk



Advantages of availability of information

B. For the Customers :-

- Seek a better bargain in terms of interest rate & banking services based upon his established creditability evidenced from the report of a neutral third party.
- Avoid questions of the Bankers to establish his creditability.
- Can seek facilities without collaterals based upon their repayment history and future cash flow.
- Reduce the lead time between filing an application and availing credit facilities.

Advantages of availability of information

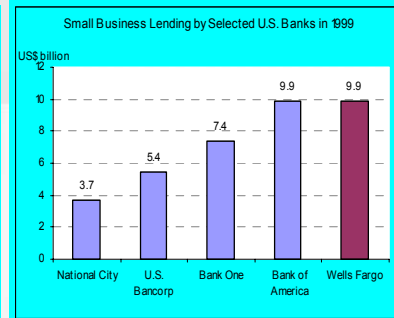
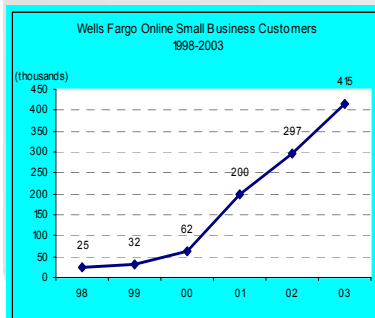
A. For the Financial Institution :-

- It facilitates the them:
 - To take a prudent decision in light of history of the customer.
 - Determines the size, nature and tenor of credit facilities in view of total obligations.
 - Prevents the Banks from engaging with a high risk relationship.
 - Reduce the turn around time if reliable information is readily accessible.
 - Evaluating the credit risk in perspective of the performance of a particular Economic Sector.



9- Benefits of credit reporting for SMEs Case study: Wells Fargo Bank

- In 1994 Wells Fargo started Business Direct (new SME division)
 - Average customer profile: sales US\$ 325.000 year; employ > 5 people
 - Maximum loan amount US\$ 100.000, average loan amount US\$15.000
 - By 1999 US\$ 9.9 billion; by 2003 US\$ 15bn
 - In 2002 rated number 1 SME lender in the USA





10- Value Added Products:

- I-score will focus in providing value-added solutions such as:
 - 2008 Scoring
 - 2009 Fraud Detection
 - 2009 Identity Verification
 - **SME Rating (Under study).**
 - Training Centre for Risk Management (Under study).



Contact Information

The Egyptian Credit Bureau “I-Score”

11191 Corniche El Nil

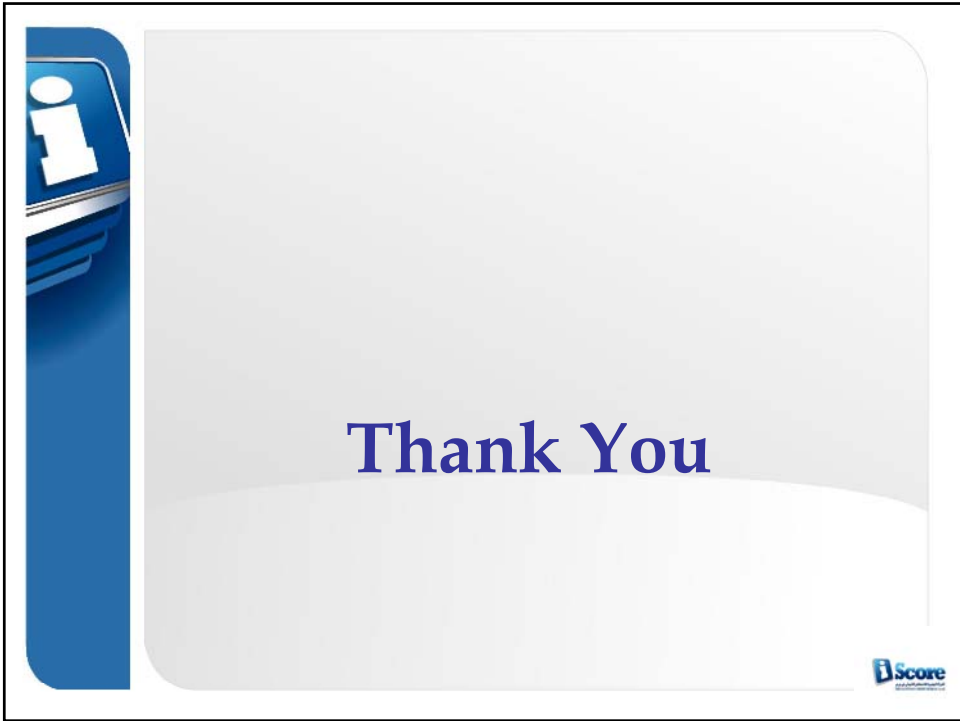
World Trade Center

17th Floor

Phone: (+202) 2728-4060

Fax: (+202) 2579-7832





Thank You