

# Total Credit Exposure Information Sharing

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Association of Serbian Banks  
Credit Bureau  
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# Credit Bureau in Serbia

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- ❑ Established in 2004
- ❑ Organized within ASB
- ❑ Membership (banks, leasing companies etc)
- ❑ An absolute comprehensive coverage was achieved for all financial liabilities
- ❑ Positive, negative data, defaults

# Data records - Individuals

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- **Actual liabilities** (loans, leasing, credit cards, overdraft current account credit, and activated guarantees)
- **Potential liabilities** (guarantees)
- **Irregular debt servicing** (towards financial and other sectors)
- Coverage 94%

# Data records - Companies

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- **Actual liabilities** (loans, leasing, activated guarantees, activated letters of credit, activated avals, debt securities)
- **Potential liabilities** (pledges, guarantees, uncovered letters of credit, avals)
- Coverage 100%

# System performance

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- ❑ CB performance as an IT based mechanism for the access to private databases of the members, retrieving only data on the credit exposures of the subjects (individuals and companies)
- ❑ Access being served only on the basis of written consent

# What else is important?

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- ❑ The information contained in the credit reports of the CB is basis for a reliable credit scoring by the creditors as such an input is daily updated and leaves no creditors' database out of reach.
- ❑ Should there be a complaint from the credit applicant it is easy to pinpoint the delayed data location and applicant immediately knows where to intervene for the amend, as only the database owner can change the data stored in its database

# Main advantages

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- ❑ New set of bank products that were virtually unattainable before CB was able to produce credit reports within seconds, on line in real time, after the authorized person in the bank accesses the CB mechanism
- ❑ The quick delivery of the credit report makes possible immediate credit granting (together with other required papers submitted to bank)
- ❑ Immediate credit granting is not to the detriment of responsible lending!

# Main advantages

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- ❑ Banks having CB report in a loan file classify such a placement in grade A assets, thus lowering the required provisions. Central bank requirement in line with Basel II
- ❑ Every month CB produces accurate and reliable aggregate data in respect of indebtedness of legal entities and individuals with the bank

# CB contributed to:

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- ❑ Reducing credit risk and consequently decreasing of interest rates
- ❑ Settling liabilities from the past
- ❑ Preventing of over indebtedness
- ❑ Higher financial discipline