Credit appraisal for individuals and institutions generally measures the financial condition and the ability to pay back a loan i.e. to establish the credit worthiness of the individual. Factors that are taken into consideration are

* Age
* Income
* Number of dependents
* Continuity of employment
* Repayment capacity
* Previous loans
* Recurring payments such as Gas, Telephone, Electricity & water

While appraising the credit worthiness of an individual the 3 C’s of Credit must be kept in mind

* Character
* Capacity
* Collateral.

If any of these are missing, then the application should be scrutinized.

Malaysia has a central database that contains credit related information. This information is held in a computerized database system known as the *Central Credit Reference Information System* (CCRIS). At present, the database system contains credit information on about 9 million borrowers in Malaysia. CCRIS automatically processes the credit data received from the financial institutions and synthesizes the information into credit reports, which can be made available to the financial institutions upon request. Access t the database is strictly governed and imposes severe penalty to unauthorized access.

**NOTE:** No free databases or free access to databases (via API) are available WRT to CTOS (FICO equivalent) or CCRIS.

The following credit bureaus are currently operating in Malaysia.

1. **Credit bureau Malaysia**: The Bureau accesses and maintains both positive and negative credit information in order to provide a more comprehensive view of an SME’s or Consumer’s credit standing. Like all other credit bureau in the world, the Credit Bureau essentially collects credit information on borrowers from lending institutions and furnishes the credit information collected back to the institutions in the form of credit report via an on-line system known as Central Credit Reference Information System (CCRIS).

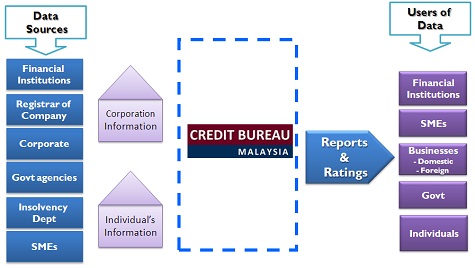
The Bureau obtains its credit information from the following data sources;

a) Central Credit Reference Information System (CCRIS) from Bank Negara Malaysia

b) Dishonored Cheques information (DCHEQS) from Bank Negara Malaysia

c) Non-bank Credit Information which is provided and updated by CBM subscribers on a voluntary basis

Based on the above information and the Bureau’s customized credit score-cards, a credit report with credit rating is produced. Subscribers of Credit Bureau Malaysia which includes Financial Institutions, Multinational Corporations, Government Agencies, Businesses and Credit Grantors will then use such reports to assist in their credit evaluation process.



Singapore in particular has several Credit Bureaus which are

1. **Credit Bureau (Singapore) Pvt. Ltd (CBS)** is Singapore’s most comprehensive consumer credit bureau that has full-industry uploads from all retail banks and major financial institutions. It is a joint venture between The Association of Banks in Singapore (ABS) and Infocredit Holdings Pvt. Ltd. CBS aggregates credit-related information amongst participating members and presents a more complete risk profile of a customer to credit providers. This helps credit providers to determine the likelihood of the customer repaying, thus enhancing their risk assessment capabilities.

In 2002, Infocredit Holdings established a second consumer credit bureau in Singapore known as CreditScan. Based on proven international standards, it is tailored to meet local requirements. The credit bureau will allow grantors of consumer credit in Singapore the access to relevant and accurate credit history information.

CreditScan is available to all industries (excluding members of the Association of Banks) that grant credit to individuals, to ensure that a wide and varied spectrum of information is accessible. The hierarchy of debt clearly shows that debtors default their payments with non-banks first before defaulting to the banks. This means credit grantors outside of the banks already experience increased risks as compared to the banks. Information from industries outside the banks will therefore provide an earlier indication of a consumer’s inability to meet future commitments.

Information will be offered on the basis of reciprocity. This will ensure that credit grantors are in a position to make fully informed decisions and that all current information on the consumer is available. CreditScan information will assist credit grantors in assessing new applications, reviewing existing relationships, collecting overdue accounts and preventing fraudulent applications.

1. **CONSUMER CREDIT BUREAU (DP CREDIT BUREAU)**
   1. **Consumer**: DP CREDIT BUREAU works in partnership with **Experian®,** their stakeholder, on a consumer scoring solution, designed to facilitate the risks and rewards of commercial and financial decisions. DP Info’s consumer scoring solution is currently being used by leading consumer lenders to manage their portfolio risks over time, providing them with proactive indicators on their consumer clients. DPCB helps Singapore’s banks and financial institutions make better lending decisions by providing comprehensive information on an applicant’s payment history and credit standing.
   2. **Commercial**: SME COMMERCIAL CREDIT BUREAU (DP Info Group) operates an SME Commercial Credit Bureau, a neutral entity that collates payment information of companies and businesses, developing a common information-sharing platform. In 2002, DP Info Group established a formal information-sharing platform to improve credit transparency in Singapore. The SME Commercial Credit Bureau was set up to benefit all corporations in Singapore by providing a neutral and formal member-based platform where the payment records of the members’ clients and suppliers are shared. This fosters more responsible payment behavior and enhances a company’s ability to manage and enhance their credit evaluation process over time.
2. **Singapore Commercial Credit Bureau:** In co-operation with the Association of Small and Medium Enterprises (ASME), **D&B Singapore** signed a memorandum of understanding on 16 October 2004 to establish the Republic’s first SME Credit Bureau (Contributor), a web-based platform specifically designed to enhance risk management capabilities. Effective 4 October 2010, SME Credit Bureau was rebranded to Singapore Commercial Credit Bureau (SCCB). An all-in-one credit assessment portal providing access to various tiers of information on commercial entities incorporated in Singapore with access to basic business registry information, litigation, detailed accounts on corporate payment patterns and topping up the information with their New Credit Risk Index (NCRI) as well as their Payment Index (PI).

The outlook for the potential use of EDUK AI technology to provide advanced credit risk assessment and profiling of individuals and companies hinges on the application of the technology in disruptive ways such as correlating an individual’s credit information with hobbies, shopping habits, interaction with friends and lifestyle. The idea is to develop a meaningful association to measure risky behavior based on an individual’s social interactions and connections. Current calculations of credit largely ignore populations that do not have a source of income (such as students, low income workers or people who have never borrowed from a bank). By marrying the social context with credit history a wider pool of applicants would possibly qualify for credit while it may eliminate fringe groups that would normally qualify for credit. This will essentially translate to both big data analysis as well as smart data analysis as a means to control risk.

Developing predictive risk control technologies will be the market differentiator that will propel the future of EDUK AI technology.