

# The Emirates Credit Information Company Limited

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# ABOUT US

## Emcredit came about when SME's reported difficulties accessing credit facilities

- ▶ Emcredit, a credit information company is an independent organization that was established by the directives of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Prime Minister, Vice President of the UAE and Ruler of Dubai.
- ▶ Emcredit is UAE's first credit information company
- ▶ Emcredit reports positive and negative information on consumer and commercial borrowers
- ▶ Emcredit will provide credit information reports, scoring, and other decision-supporting tools to enable improved evaluation of every stage of the customer lifecycle.
- ▶ Other than data provided by banks, Emcredit obtains data from other sources, like Dubai courts, police, public prosecution, Utility providers. Emcredit compiles this information referring to an individual into a single file.



# UAE Banking Sector

The UAE's banking industry, the second-biggest in the GCC

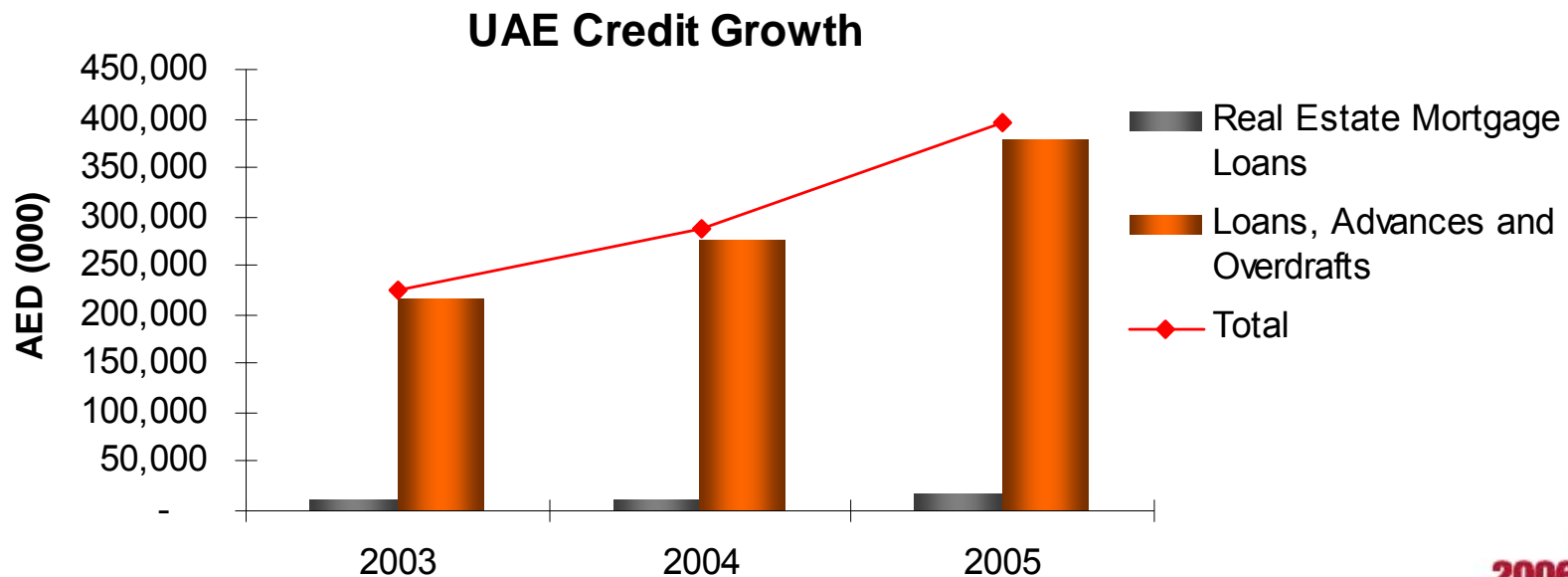
- ▶ The UAE economy, the Arab world's second biggest
- ▶ The UAE's banking industry, includes 21 local and 25 foreign banks.
- ▶ Banks profit growth reached 115% in 2005
- ▶ SME Business makes up 80% of GDP.
- ▶ Booming construction sector



# UAE Banks Credit Growth

**43% increase in overall credit between 2004 and 2005, and an expected 24% increase in 2006.**

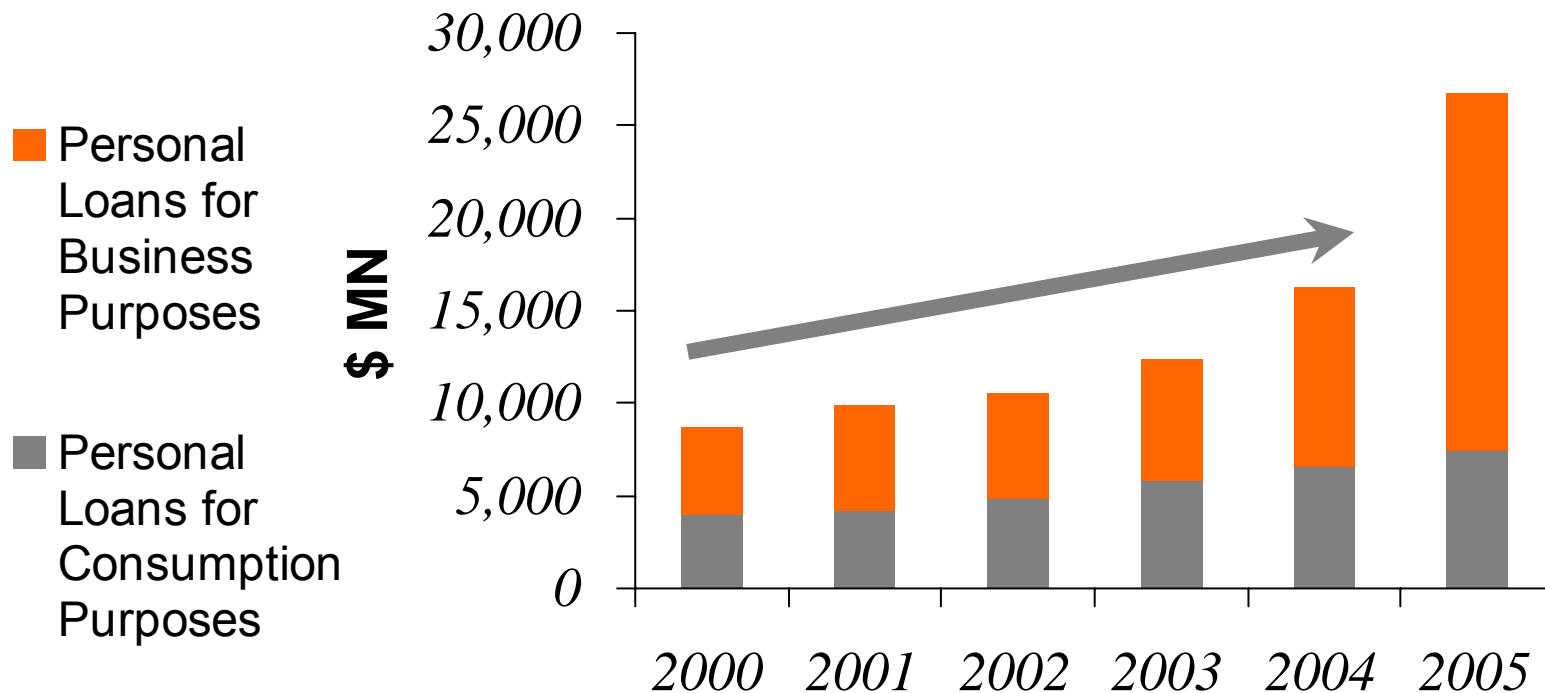
- ▶ 8.5% Real GDP growth, 26.4% in nominal terms in 2005.
- ▶ Banks Exposure to the booming real estate market has been limited so far as a percentage of total credit but it has grown at an exponential rate. (113% in 2005 to 2006)



# UAE Banks Personal Loans

## 100% increase Growth witnessed in Personal loans

- ▶ Majority of the increase was in personal loans for business purposes at \$19.3 billion in 2005, 100 % increase from 2004
- ▶ Personal debt for business and other purposes in general increased 64% in 2005 (\$26.5bn)

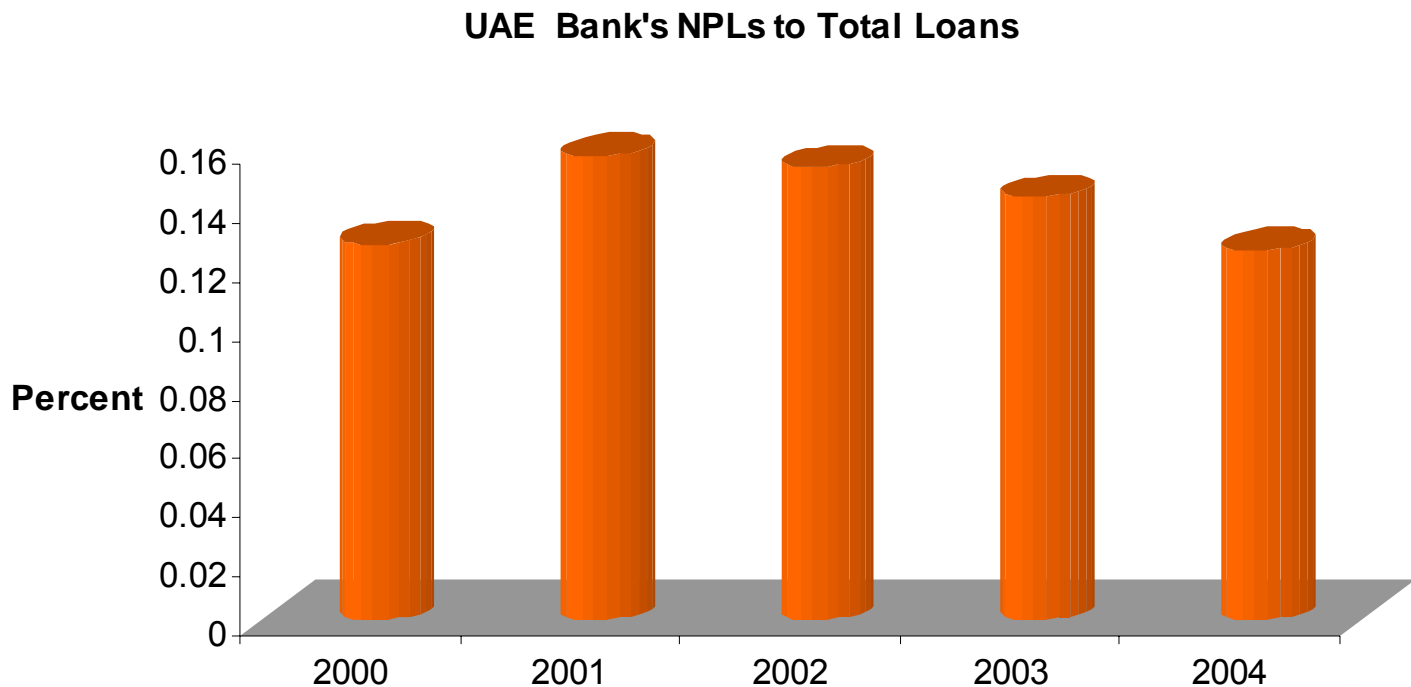


Source: UAE Central Bank

# UAE Banks Non Performing Loans

The UAE has high NPL ratios when compared to other developed economies and countries in the region.

- ▶ A slight decline in NPL ratios due to the large credit growth experienced in 2004.

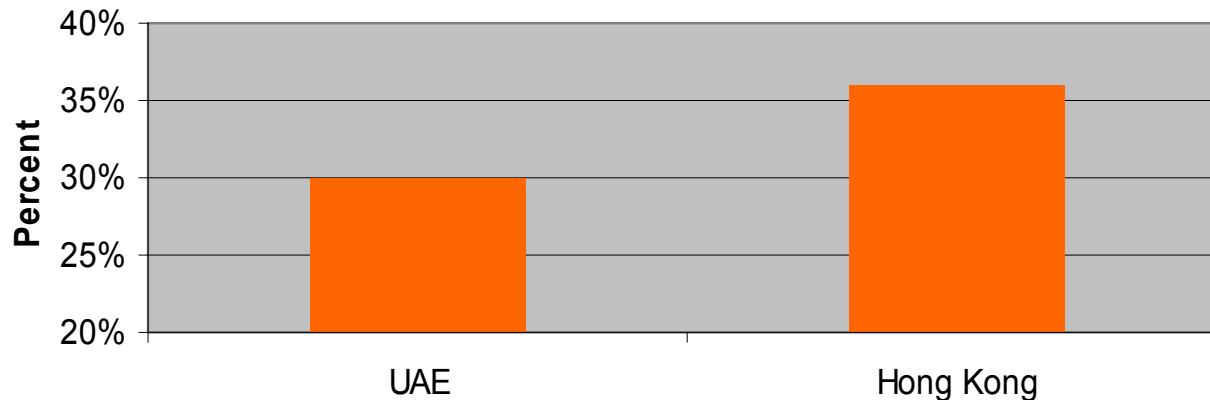


# Dubai's lifestyle is of a recreational nature

## UAE has the second highest number of recreational shoppers in the world

- ▶ On average each person holds 2 to 3 credit cards from different banks
- ▶ Average indebtedness in UAE is \$32,000
- ▶ 1.6 million Credit cards growing at 15% to 30% per year
- ▶ Some banks increased credit card growth by 50%

Percentage of Consumers that go shopping at least once a week in the UAE



# UAE world ranking

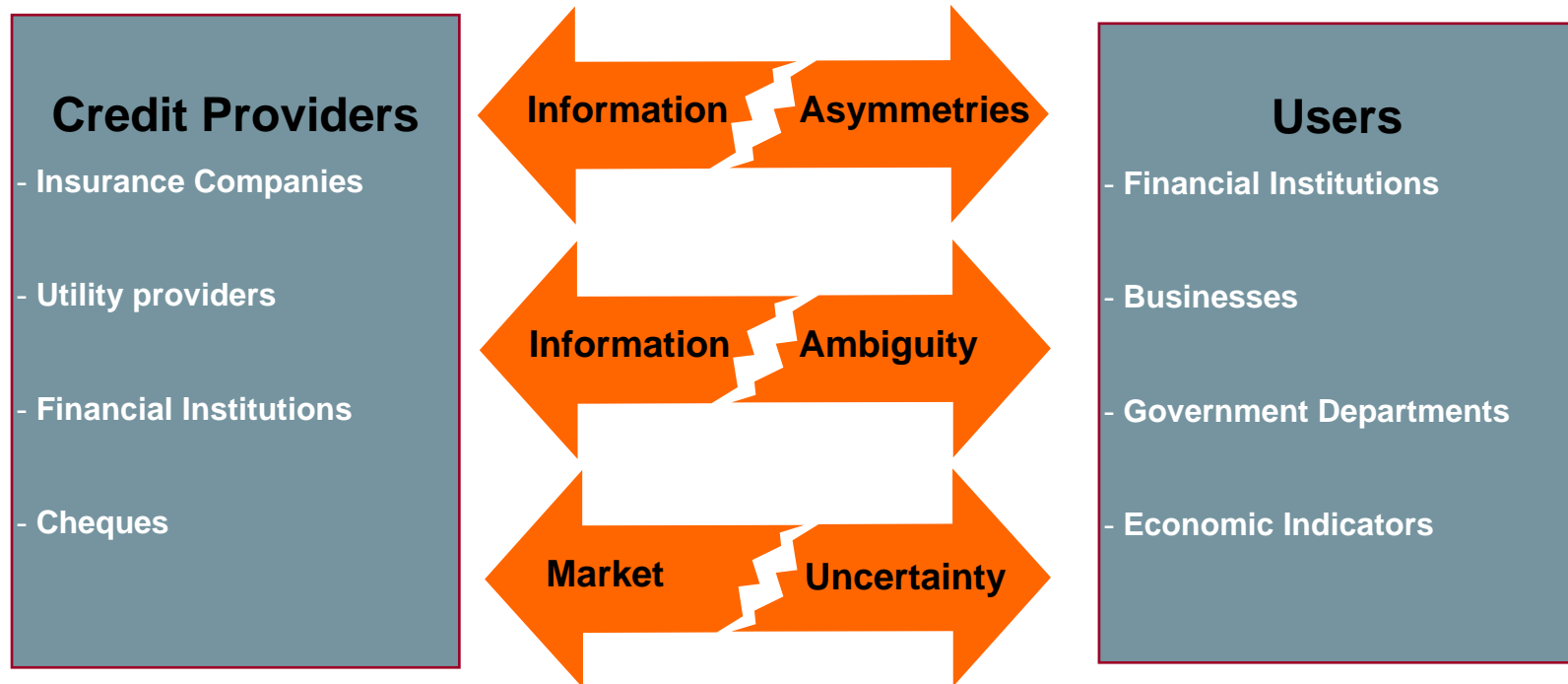
UAE's competitiveness and the comparative advantage companies gain from operating in UAE requires the suitable infrastructure in place

► The UAE is ranked as the 77th easiest country to conduct business in, but 117 in getting credit, mainly as a result of an absence of a private credit bureau and the scope of data collected by PCRs.

Getting Credit	Rank 117
Strength of legal rights index ( 0 - 10)	3
Depth of credit information index ( 0 - 6)	2
Public registry coverage (% of adults)	1.7
Private bureau coverage (% of adults)	0.0

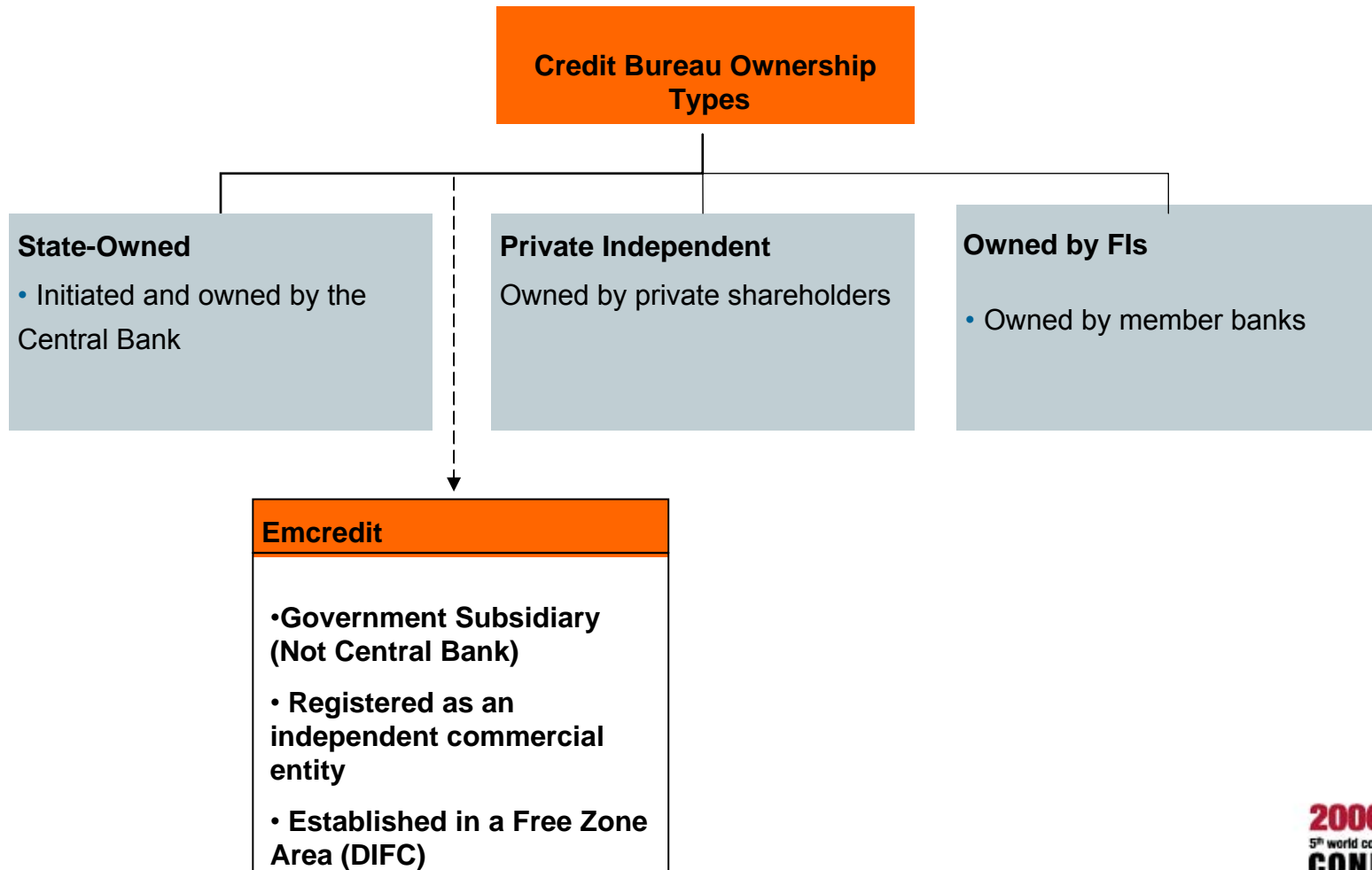
# The Information Desert

Information asymmetry exist between various credit providers and users of this information



# Emcredit Model

Emcredit chose an independent model to best fit customer needs



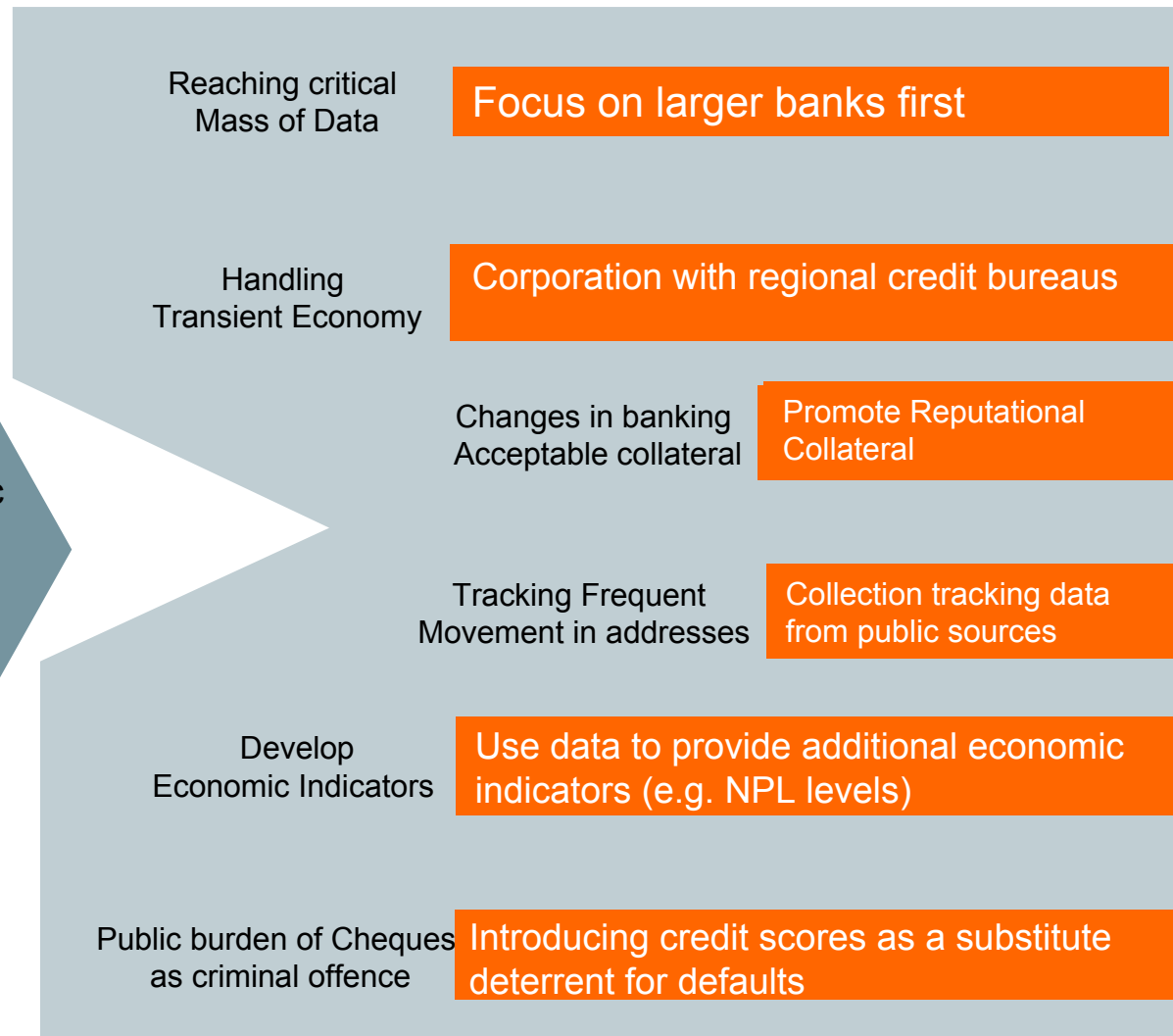
# Obstacles Overcome

## Emcredit chose an independent model to best fit customer needs

Obstacles to sharing data	Absence of regulation allowing the sharing of data	<ul style="list-style-type: none"><li>▶ Government decree on the sharing of data with the credit bureau</li></ul>
Legal Framework	Absence of protection of individual and users right Seven Emirates with independent governments Lack of onshore Data Protection Law	<ul style="list-style-type: none"><li>▶ Choosing a jurisdiction with an existent DPL</li><li>▶ Developing a contractually binding CoC</li><li>▶ Proposing legal reform in the form of a credit information law</li></ul>
Scope of Information	Collecting information from public sources and utility companies	<ul style="list-style-type: none"><li>▶ Government decree on the sharing of data with the credit bureau</li><li>▶ Ownership by Government</li></ul>
Unique Identifies	Absence of a unique identifier to identify individuals and link data subjects from multiple sources	<ul style="list-style-type: none"><li>▶ Create a matching engine using multiple identifiers and surrogates</li><li>▶ Incorporate national ID into matched records</li></ul>
Introducing a new concept	Resistance to a new concept and a change to existing Business norms	<ul style="list-style-type: none"><li>▶ Development of Value added products</li><li>▶ Adopting a customer centric approach</li></ul>

# Economic Solutions

Focusing on providing solutions to existing and future challenges



Emcredit Economic Influence

Improved Economic Conditions

# Our Mission

Promote credit growth and provide advanced assessment tools

## MISSION

**To deliver world class data solutions to our clients helping them to promote growth and drive financial performance by providing products and services that improve efficiency, risk assessment, risk pricing, access to credit, and borrower awareness while serving the wider needs of our stakeholders.**

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