

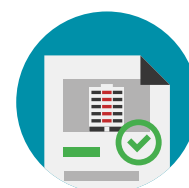
COLLATERAL REGISTRY SOLUTION



Collateral registry fulfills two key functions: to notify parties about the existence of a pledge / security interest imposed on an asset and to establish the priority of pledgees, in case the asset accommodates two or more pledges / security interests.

The Collateral Registry Solution (CRS) is a technological platform and a complex system used for data records and exchange of information related to existing or historical collaterals. CRS the tools, consultancy and know-how sharing for storage and sharing of collateral-related information with a focus on setting processes in compliance with local legislation. The daily operation of the solution, interpretation and legal relevance of the stored information is highly dependent on the way the CRS is used and supported by the local legislation.

While a sound legal and regulatory framework is essential to support the collateral registry, as well as to allow for various assets to be used as collateral, the Collateral registry fulfills two key functions: (1) to notify parties about the existence of a pledge / security interest imposed on an asset and (2) to establish the priority of pledgees, in case the asset accommodates two or more pledges / security interests.



Collateral registry's variability

Although the Collateral Registry is a standalone solution, there are clear synergies when combined with A Credit Bureau System. In particular, the information held in the Collateral Registry can complement or feed extra information to the Credit Bureau, which is used by creditors to make better credit decisions. The

Collateral Registry works best, when linked to property registries enabling unique identification of assets (registries dealing with ownership of land / real-estate, cars, securities, TMs / patents / IPs etc.); absence of such supporting IT infrastructure will greatly degrade and impair the functionality of CRS.

The Technical part of the Collateral Registry solution consists of several products, which can dramatically speed up the whole process of the implementation and start-up of operations. The current version of the main product, the Collateral Registry System, is developed based on years of experience in the areas of corporate banking, debt enforcement with conversion of various kinds of collateral into cash and large database / registry solutions. This unique pool of expertise has been transformed into a new solution that has great potential to further refine the markets, in terms of transparency, accountability and credit risk management. Establishing a Collateral Registry is a fundamental prerequisite to insure a well-functioning credit market, as well as markets of wholesale and commodity trading.

Why to choose collateral registry by Creditinfo?

- It is not just the software platform that we provide our customers with; it is a vast array of deep expertise and first-hand experience, all these transformed into the system, its internal logic and the accompanying consulting services. This years-long, first-hand experience of our professional staff has been gained both by working inside and alongside banks, wholesale and commodity trading companies, with a focus on collateralized debt, secured transactions and debt enforcement / recovery.
- Creditinfo has created the Collateral Registry Solution based on the same philosophy as its acclaimed product CBS (Credit Bureau Solution).
- The Collateral Registry by Creditinfo is also built on the vast experience with large database systems, which has been gained over years of delivery and operations of systems of a similar size and sophistication in 20+ countries across several continents.

Consultation & training

Our expert staff provides comprehensive consultancy and training, which combines our expertise and knowledge on collateralized lending, benefits offered by the Collateral Registry, treatment of various types of collateral, their advantages and risks, as well as best practice for data upload solutions for parties involved in the setup and ongoing management of the Collateral Registry.



About the company

Creditinfo Solutions provide diversified products and services in the area of credit risk management enabling our clients to make better informed business decisions. Creditinfo Solutions are part of the Creditinfo Group of Companies which has operations in 24 countries, supports clients in over 42 countries, with its headquarters in Reykjavík, Iceland, and with 19-year Credit Risk track record, employing around 400 Credit Risk specialists worldwide.



Benefits of collateral registry solution



- Better access for clients to credit supported by collateral(s) and increase in number of credits granted, as well as in their nominal value.
- Information whether the asset / instrument offered for pledge by the obligor is pledge-free or whether it has already been pledged to other parties (which might make the collateral worthless to the current creditor).
- With the creditor's ability to check the background of the collateral, the Collateral Registry is likely to bring a revolution to the market, rather similar to the one brought by the Credit Bureau. No more cheating with collateral.



- Additional information for credit risk assessment:
 - (1) a subject with zero indebtedness and no negative credit history may, nevertheless, be in subprime or even do-not-lend bands because of the material part of its property being under pledge / serving as collateral in support of loans drawn by third parties;
 - (2) similarly, information on existing contingencies, off-B/S liabilities etc. may play an important factor in creditworthiness evaluation process.

Indication of the subject's position, reputation and acceptance in the market - in terms of vendor finance and/or obligation to deliver (both through disclosure of off-B/S liabilities in CRS).

- Further refinement of the market and its participants - in terms of transparency, accountability and credit risk management; synergies achieved when linking the outputs from the Credit Bureau with the ones retrieved from the Collateral Registry.
- Check of an asset offered for pledge by a (potential) obligor to the creditor, background check of an asset by a prospective buyer, additional information to the one obtained from the Credit Bureau (synergic effect), vendor finance - proper setup of trading / credit lines with counterparts & monitoring of the clients' portfolios by creditors.