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EXPERIAN REPORT HIGHLIGHTS GROWTH POTENTIAL IN SME LENDING

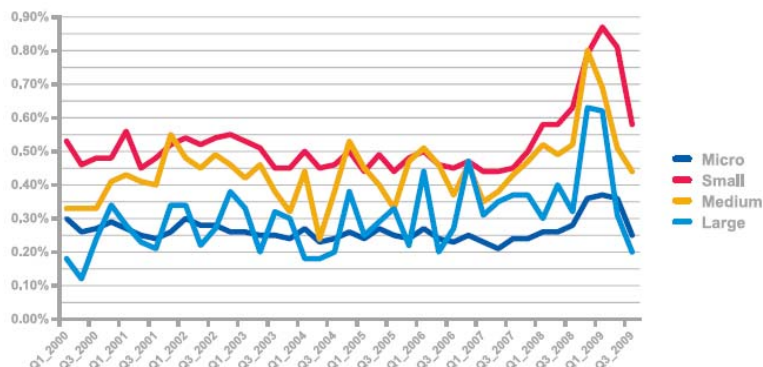
Experian®, the global information services company, today published a new report highlighting how data, software and analytic capabilities more commonly used in consumer lending environments can help UK retail banks profitably increase lending to the SMEs.

According to a new Experian report entitled 'Risk, reward and the SME lending imperative', SMEs offer a huge opportunity to retail banks whilst noting that medium sized firms are seeking to weather the current economic climate by managing for cash and demanding less credit. Experian's report suggests that financial institutions that are able to quickly and cost-effectively assess the risk and reward presented by individual small and micro businesses, and respond rapidly to signs of distress amongst their existing customer base, will be best placed to profitably grow their commercial lending books.

Stephen Gildert, SME lending consultant at Experian, comments: "In order to lend profitably to the SME sector, banks need to be able to treat each business according to its individual potential, risk profile, ability to afford the credit and vulnerability to changing market conditions. A key challenge is managing the relationship across the entire credit lifecycle at a cost that enables high volumes of small ticket lending to be done profitably for the overwhelming majority of customers.

"By accessing the full range of data available, including blending it with information on the financial history of company directors where permitted, banks can obtain far greater insight into credit risk potential for all types of businesses. This also includes start-ups, micro and small businesses, for which there may not be a huge amount of commercial credit performance information available."

Insolvency rate by company size



Source: pH group, an Experian company

According to data from pH group, an Experian company, SMEs account for more than 99% of all businesses in the UK, with the micro-business segment (10 employees or less) having grown by more than 50% since the start of 2000. Micro-businesses enjoy a fairly stable insolvency rate, with fewer than seven firms in every 10,000 becoming insolvent on average each quarter since the start of 2000, the lowest of any segment. Even when failure rates soared during Q4 2008 and Q1 2009, the insolvency rate for micro-businesses was significantly lower than any other segment.

In contrast to the micro-segment, small businesses (11 – 100 employees) have consistently failed at a higher rate than other segments. On average, 15 in every 10,000 small businesses have failed each quarter on average since the start of 2000, although this reached 87 in every 10,000 in Q1 2009. Despite having a higher than average insolvency rate, Experian believes that lenders can profitably grow their lending to small businesses identifying those offering the best risk versus reward potential.

The challenges of SME lending today

Experian's report details a number of challenges that need to be addressed in order to most effectively balance the risk and reward involved in serving smaller businesses. Banks are facing rising business insolvencies and increased collections activity, while the demand for credit is currently strongest amongst the traditionally less profitable micro and small business segments. Furthermore, SMEs are far more complex entities than personal customers and with traditional data for commercial lending less readily available for small firms, many banks continue to rely on manual underwriting for all commercial lending decisions. This contributes significantly to a high cost to serve, which can result in as many as 65% of SME accounts being unprofitable for the bank.

Stephen Gildert continues: "Our experience shows that by using a full range of data and implementing analytics-based lending processes, it is possible to automate as many as 85% of lending decisions and achieve a 30% reduction on defaults in the first year alone. This allows expert underwriters to focus on more complex and higher value risk decisions.

"By blending internal and external customer data, and automating decisions where possible, banks are able to improve the quality of risk based decisions, reduce the cost to serve and improving the speed and consistency of decision making. It can also help to ensure that that viable smaller businesses continue to have access to the financial services they need to play a fundamental role in the UK economy and development of future wealth."

To download a copy of the Experian 'Risk, reward and the SME lending imperative' report, please visit <http://press.experian.com/documents/SMElendingImperative-Oct09.pdf>

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About Experian

Experian is the leading global information services company, providing data and analytical tools to clients in more than 65 countries. The company helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended 31 March 2009 was \$3.9 billion. Experian employs approximately 15,000 people in 40 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; Costa Mesa, California; and São Paulo, Brazil.

For more information, visit <http://www.experianplc.com>.