



A MESSAGE FROM THE PRESIDENT

2012 was an extremely productive year for GDS Link with continued positive growth in revenue both in the US and internationally. New clients representing a broad range of lending activities are now leveraging the power and flexibility of GDS' CASECenter Management solution whose flexible design allows GDS to tailor the system to meet the unique business requirements of its end users.

In keeping with our international growth plans, GDS expanded its global footprint in 2012 **opening offices in Turkey, the Philippines and the UK**. We also expanded our relationship with major credit bureaus globally in **South America, Eurasia and Europe**.

In the US, GDS continued to expand its reach into the Alternative Financial Services sector as lenders in this sector continue to recognize the need for proven risk management technology that allows them to integrate with and leverage the vast array of third party data bureaus that are used for identity verification, fraud mitigation and risk assessment.

The need for risk management technologies and consulting is projected to continue to grow in 2013 and we look forward to capturing an increasing share of this investment on a global basis.

-Paul Greenwood, GDS Link President & Co-founder

QUARTER 4 HIGHLIGHTS

News From GDS Eurasia

On March 21, GDS Eurasia is launching its **commercial credit score GDS TKN**, developed for the **members of the Turkish credit bureau KKB, the largest Credit Reference bureau in continental Europe**.

The score was developed using the wealth of credit and demographic data of all Turkish companies accumulated in KKB over the last few years. GDS TKN will help the Turkish finance sector in terms of **enhanced credit decision accuracy, speed and reduced processing cost**, thus helping to **improve access to credit for Turkish companies, especially SME's**.

GDS TKN is deployed using **GDS's proprietary software DecisionEngine, which is integrated into KKB systems**.

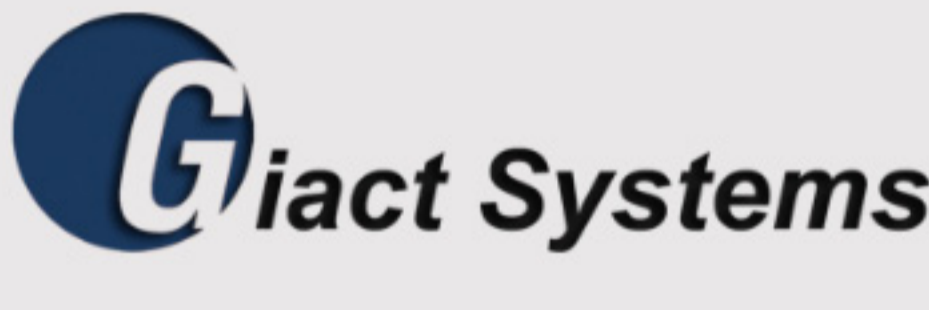
CONTACT US

<i>North America</i>	
Dallas, Texas:	+1.214.256.5916
Atlanta, Georgia:	+1.770.855.4321
<i>South America</i>	
Buenos Aires, Argentina:	+54.11.4314.4455
<i>Europe</i>	
Madrid, Spain:	+34.91.535.79.16X100
Rome, Italy:	+33.643919520
<i>UK, Ireland & Scandinavia</i>	
Leeds, U.K.:	+44.113.357.0096
<i>Turkey & Middle East</i>	
Istanbul, Turkey:	+90.212.381.8623
<i>Asia Pacific</i>	
Manila, Philippines:	+63.917.855.2202
<i>Africa</i>	
Monaco:	+377.97.98.21.80

For questions, suggestions, or any additional information, contact us via: info@gdmlink.com.



PARTNER SPOTLIGHT



Accept ACH/Check payments with confidence while protecting your business from loss and fraud at the point of purchase.

Giact's unmatched **reliability, global compatibility and a company vision that is focused on the needs of our customers** are the reasons Giact has become a leader in the ACH/Check verification industry. At Giact, your company's needs are important to us. We offer **real-time prevention that helps protect your business from fraud and losses at the point of purchase, which increases your bottom line!** Through our cutting-edge, proprietary services and experienced team, we deliver powerful results.

With extensive national coverage of both positive and negative information, **gVERIFY™ service is a powerful tool that helps boost merchants' and banks' overall check acceptance risk management strategy**. Verification is instantaneously accessed prior to sending the check file to the bank.

gVERIFY™ enables you to:

- **Take preventative action before a loss is incurred**
- **Verify checking account status in real-time**
- **Access the most current status information on checking accounts**

Contact Giact's sales team to request a free trial or demo of our services.

(866)-918-2409 ext 210
sales@giact.com
 or visit us online www.giact.com

INDUSTRY & ECONOMIC TRENDS: A VIEW OF THE AFRICAN CREDIT ECONOMY

It is difficult to create a single view of the Africa continent from a social or political perspective and the Credit Industry is no exception. In Africa you can find very different situations even when comparing countries in the same region; with the same roots or same GDP growth. As an example South Africa is now part of the BRICS countries while its neighboring country Zimbabwe, still a former British colony, is still struggling to exit from a long lasting economic crisis.

With the credit industry still in an embryonic stage and still yet to take off, the 2008 global financial crisis has had a very marginal effect on Africa's economic growth which continues to be fuelled mainly by the **"real economy."**

Paradoxically, the underdeveloped status resulted in an **advantage for the African Banks, preventing toxic assets from entering the African financial institutions network**. Despite the aforementioned differences, there are several common denominators that can be applied across the whole of Africa when analyzing the credit sector climate:

- Micro-finance Expansion
- Credit Bureau Establishment
- Mobile Technology
- Islamic Finance Penetration

With 80% of the population Unbanked, retail lending in the banking sector is **almost non-existent** and the extension of credit to households and small business is very much driven by the **micro-finance sector**; which is continuing to expand despite tremendous operating obstacles, such as the **cost of funding, lack of credit risk management tools and access to Credit Bureau services**.

The lack of access to financial services for households and micro and small enterprises is quite striking in Africa, and micro-finance institutions are crucial in responding to the unbanked segments. For a long while, commercial banks have been reluctant to get involved in micro-finance. On the other hand savings banks and socially committed retail banks have lacked the expertise in micro-lending and micro-insurance. However, the **performance of some industry players and "pioneer experiences" by mainstream banks over the recent years has demonstrated that micro-finance can be both socially-efficient and profitable when well-managed**.

In many countries there are well functioning Credit Bureaus, notably in **Egypt, Morocco, South Africa and Uganda**. In other countries, like Nigeria or Ghana, although enforced by law (including laws that regulate various aspects such as the Credit Bureau licensing process, and guidelines on data usage and retention), Credit Bureaus provide little or no support to the lending community due to the lack of robust data and difficulty with data matching algorithms. The banks still seem to concentrate on big business and primarily leverage data that they have collected themselves, opposing full data sharing for competitive reasons.

The **lack of a unique national identification number, coupled with address unreliability**, make the Credit Bureau operators' life very difficult. The real challenge is to create a business model for Credit Bureaus that will encompass the usage of non-financial credit information, thus allowing the **"credit invisible"** to have a credit profile in the Credit Bureau thus becoming eligible for financial instrument access.

The number of **mobile phone devices has increased dramatically over the past ten years** in many African countries leading to substantial changes in people's lives and behavior. Innovation is continuing to spread with mobile phone operators introducing new **applications to deliver basic payment functions (M-Payments)** turning mobile phone devices into popular service tools for the payment industry.

For the commercialization of mobile payment services, partnerships have been established between **mobile phone operators and financial institutions**. An example is the agency relationship between **Postbank Kenya and Safaricom** (a mobile phone operator) to offer mobile wallet service.

According to a **Deutsche Bank analysis, by 2016 Islamic Banks will manage 1.8 trillion USD assets**. The lion's share will be represented by Europe and the United States, but a very significant role will be played by Africa too, considering the growth rate of countries like: Niger, Angola, Liberia, Ethiopia, Mozambique and Zambia, which are among the twelve world's fastest growing economies.

The success of Islamic Banking, for example in East Africa, doesn't relate to the size of the Muslim population, which accounts for less than 12% on average with a peak of 30% in Tanzania, but rather to the **lack of the Muslim borrowers' confidence in traditional banks. Islamic financial institutions are seen as more ethical and closer to borrower needs**; they consider peoples financial inclusion as a moral obligation and are usually less inclined to speculation and usury practices.

Many factors in Africa should **result in immense growth in the continent's retail credit industry including the rise of the urban working class, a large young population, continued migration from the rural areas (52% of the population still live in the rural areas), and some projections that Africa will represent the worlds' largest workforce by 2040**.

A **successful and efficient credit market will require an efficient credit reporting infrastructure and adoption of adequate tools** for credit risk management and control.

CASECenter NEWS

Version(1.1.12) enhancements include:

- Support for fuzzy matching in queues.
- Ability to create e-mail templates that can be sent as part of a flow.
- Support for transliteration of non-alphabet characters
- Support for currencies.
- Support for performance monitoring of applications.
- Add support for enterprise grade security features.

WHO WE ARE & WHAT WE DO

GDS Link, LLC is a global provider of Risk Management Solutions and Consulting Services for multiple verticals within the financial services industry including: **credit card, auto, alternative financial services, commercial leasing, and specialty lending**.



Our offerings are also utilized in **the retail, utilities and the telecommunications sectors**. Our industry leading solutions can support financial institutions throughout an entire credit lifecycle, from their credit initiation services through collections and recovery.

Our core offering, **DataView360**, as well as add-on solutions can be used for **process automation, application processing, decisioning, portfolio review, optimization, scorecard model development, implementation, and monitoring**.

GDS Link has a global staff comprised of individuals with a wide range of credit experience, having worked for multiple financial institutions, software companies and data bureaus.

For more information, please visit us at: www.gdmlink.com

