



A MESSAGE FROM THE PRESIDENT

Second quarter was an extremely busy period for GDS, both domestically and around the globe. In May GDS held its annual management meeting in Madrid to discuss the key drivers impacting each of the geographies and to begin planning for 2014.

Business development activities continued on pace in 1Q with continued expansion in the on-line alternative lending markets with new clients secured in both the US and the UK. GDS-Modellica, our Madrid office, secured a contract with a large European Peer to Peer lending company to develop a new risk model to replace its legacy scorecards leveraging our analytics and modeling capabilities. Further leveraging our modeling capabilities, we secured a project to develop behavioral models for one of the largest collection agencies in Turkey. In the US we signed a deal with a company which provides an alternative source of financing (vs. bankcards or private label credit cards) through big box retailers for home improvements.

Joint Venture activity continued in the second quarter with the formation of GDS Link West Africa between GDS Direct, headed up by Roberto Giannantoni, its Managing Partner, and CIS Ghana an experienced and long standing provider of cutting-edge integrated information technology solutions to a wide spectrum of customers within West Africa. The new company will serve a large spectrum of prospective clients in both the banking and non-banking sectors addressing their credit risk management requirements.

GDS' optimism for business activity for the rest of 2013 is quite high with a very robust pipeline reflecting an increase in spending for risk management services and solutions.

-Paul Greenwood, *GDS Link President & Co-founder*

GDS RULES ENGINE (DECISION STUDIO/DECISION ENGINE) ENHANCEMENTS

Import variables in data dictionary	Decision Studio will allow importing variables, full sub-blocks or full blocks from a system into another. Some constraints apply in order to ensure that integrity of the system is preserved, mainly that the variable name can exist already in the target system
Import groups from a tab-delimited file	Decision Studio will now read a tab delimited file with groups and categories to populate groupings without the need of manual input
Order of decision columns is preserved in Trees, rulesets	The system keeps the order of decision columns whether they have empty cells or not

In Java Decision Engine, the actual expiry date is not the one that appears in the license file, but the following Tuesday to the date resulting to add five days to the date in the license file	This was done in order to avoid expiration on weekends or in the hard date in the file, too often set to Dec 31st, which is very inconvenient
Import objects	Decision Studio will allow importing objects from a system into another. Some constraints apply in order to ensure that the integrity of the system is preserved
Simulation in rulesets	After realizing that several clients used almost exclusively rulesets instead of segmentation trees, the ability to see simulation results in rulesets nodes has been added
Graphical representation and comparison of simulations in rulesets	This has been added to provide equivalent functionality in rulesets and segmentation trees
Ingroup function	The new function helps to avoid long strings of "or" comparison with the same variable involved. Instead, the user can check whether the value of this variable falls in a given group
Better editing functionality in rulesets	Now rules can be inserted anywhere in the ruleset
The file merge functionality now operates in parallel	This improves the performance of the merge operation significantly
Functions max and min accept more than 2 operators	Both functions now allow multi-argument invocation to allow for simpler expressions
Help file update	Help file has been updated to cover the above

FIRST QUARTER HIGHLIGHTS

News From GDS-Modellica

Comunitae is a European social lending company that applies a business model that has proven to be very successful in the U.S. by major players such as the Lending Club and Prosper (see related article in [GDS 1Q2013 Newsletter](#)). As the market leader in Spain, it is of paramount importance for Comunitae to provide an accurate measure of the credit risk involved in each loan application.

This benefits both investors, who can make much better informed decisions, and borrowers, who can get faster answers and personalized loan terms.

As part of the continuous improvement of the credit risk assessment, Comunitae has collaborated with GDS Modellica to produce a second generation credit risk model to replace their legacy one. While the usage of the new model is in its early stage, back testing of the new scorecard with past data suggests significant improvement in acceptance rates and

CONTACT US

North America

Dallas, Texas: +1.214.256.5916

Atlanta, Georgia: +1.770.855.4321

South America

Buenos Aires, Argentina: +54.11.4314.4455

Europe

Madrid, Spain: +34.91.535.79.16X100

Rome, Italy: +33.643919520

UK, Ireland & Scandinavia

Leeds, UK: +44.113.357.0096

Turkey & Middle East

Istanbul, Turkey: +90.212.381.8623

Asia Pacific

Manila, Philippines: +63.917.855.2202

Africa

Monoac: +377.97.98.21.80

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



UPCOMING EVENTS

August 8th - 9th

Brian Hacked, Managing Partner - GDS Asia will be a featured speaker at the 4th Six Sigma and Process

accuracy in the prediction of the probability of default.

Arturo Cervera, CEO of Comunitae, is a strong believer that "mainstream banking is leaving market niches unserved. Small investors need an alternative to very low yields in traditional instruments and borrowers need an answer for small amount loans"

News From the UK

GDS UK signed two internet based short term lenders in 2Q, one interfacing with a home grown loan management system (LMS) and the other with a well-established third party LMS. As part of their underwriting, both clients are utilizing the Affordability Check solution from [CallCredit](#) in addition to other services offered by them.

In addition to CallCredit, GDS UK has also integrated with [LendProtect](#) and [Fraudscreen](#) and has other data sources on its radar that it will be integrating with during 2013.

News From GDS Eurasia

GDS Eurasia has secured a contract to develop a behavioral scoring system for [LBT Varlik Yonetim A.S.](#), one of the largest collection companies in Turkey. This behavior scoring system aims to enhance the efficiency of LBT's collection strategies.

In March 2013 GDS completed its development of a commercial score, GDS TKN for KKB, the largest commercial credit bureau in Turkey. GDS TKN was deployed using GDS's proprietary software, DecisionEngine, which is integrated into KKB's systems.

News From GDS Direct

In June GDS Direct announced a joint venture with CIS Ghana aimed at establishing a long-term presence in the West Africa region. The new company, called GDS Link West Africa, will serve a large spectrum of prospective clients in both the banking and non-banking sectors addressing their credit risk management requirements.

Adoption of credit scoring and credit decisioning tools will enable African lenders to make faster, better and more consistent credit decisions for both new and existing customers. The operating center will be established in Accra and it will be accountable for dealing with customers from Ghana, Nigeria, Sierra Leone, Liberia, Ivory Coast, Burkina Faso and Benin.

In an interview with Naa Odey Asante, the Managing Director of Ghana based [CCML](#) (Christian Community Micro-finance Limited) Ms. Asante reacted to the recent announcement:

Improvement Conference in Makati City, Philippines. He will speak on Data-Driven Process Excellence: Leveraging Big Data, Analytics, Predictive Modeling and BPM to Optimize Results.

August 27th

GDS Latin America will be a sponsor and present at the National Credit and Collection Conference held in Argentina.

September 10th

GDS Latin America will be a sponsor and present at the National Credit and Collection Conference Chile and Regional Latin America in Chile.

September 24th - 26th

GDS will be attending ID Analytics' seminar entitled A Dynamic Dialogue for Credit and Identity Risk Executives in San Diego, CA.

EVENT HIGHLIGHTS

June 25th

Gustavo Vercinsky, Managing Director of GDS Latin America was a featured speaker and sponsor of the National Credit and Collection Conference Peru & Microfinance.

April 30th

Gursel Kubilay, Managing Director, GDS Eurasia presented at the International Finance Corporation Steering Committee on Credit Bureau Establishment in Azerbaijan, in Baku. His session was entitled "Introducing credit bureau scoring tool in a new market" - see more at:

www.gdslink.com/about_gds/Press_Room.html#events

"The solution being offered by GDS Link is exactly what the industry needs to inform quick and effective credit decision making. The financial sector will be keen to take advantage of this offering and I am sure other sectors such as telecommunication will also benefit greatly from it."

"As pioneer and leader in the Ghanaian micro-finance industry, CCML aims to make fair credit available to the underbanked, we also provide uncommon financial services to SMEs churches and educational institutions for the construction and renovation of their buildings and for acquiring equipment."

Roberto Giannantoni, Managing Partner of GDS Direct, is responsible for driving the activities of GDS Link West Africa.

PARTNER SPOTLIGHT



ID Analytics is a leader in consumer risk management with patented analytics, proven expertise, and real-time insight into consumer behavior. By combining proprietary data from the ID Network®- one of the nation's largest networks of cross-industry consumer behavioral data-with advanced science, ID Analytics provides in-depth visibility into identity risk and creditworthiness for nearly every adult consumer in the U.S.

Every day, many of the largest U.S. companies and critical government agencies, including six of the top 10 financial services companies and three of the top four wireless carriers, rely on ID Analytics to make risk-based decisions that enhance revenue, reduce fraud, drive cost savings, and protect consumers. Founded in 2002, ID Analytics is well established in a diverse set of industries including credit card, banking, personal loan, alternative payments, and telecommunications and looking for partners to accelerate growth in the insurance industry. Please visit us on the web at www.idanalytics.com to learn more.

Key products include:

ID Score®

is a powerful fraud-detection solution that provides the most accurate assessment of fraud risk during the new-account application stage. This three-digit fraud score (1-999) predicts the likelihood of first-party, third-party, and synthetic fraud, scoring 100% of applications in the adult US population, including thin and no-file applicants, in real-time or batch mode.

Comply360™

is a purpose-built Identity Verification (IDV)suite, driven by unique data from our ID Network that screens and verifies the consistency and accuracy of a submitted identity to support customer risk, compliance and verification needs. This tool clears the highest possible percentage of applicants without manual review, while ensuring high quality verification.

Credit Optics®

is an FCRA-actionable score that predicts the likelihood of 90+ days past due (DPD) or charge off within 12 months at time of application. Compliant with all applicable federal regulations, three-digit fraud score (1-999) provides a unique real-time, cross-industry view into consumer credit risk, scoring 100% of credit-active adults, including thin and no-file applicants.



ADVANCE 2013

A Dynamic Dialogue for Credit and Identity Risk Executives

Is San Diego on your calendar? Don't miss the preeminent credit and identity risk management conference of the year.

Join ID Analytics, for our 11th annual credit and identity risk management conference, September 24 - 26 at the Omni San Diego Hotel. This year's speaker lineup includes prominent thought leaders from multiple business, government and academic disciplines including:

- James Fowler, professor of Medical Genetics and Political Science at the University of California, San Diego and author of Connected
- Rudy Giuliani, Former Mayor of New York
- Pamela Meyer, founder & CEO of Calibrate and author of Liespotting
- Tom Ridge, First Secretary of the United States Department of Homeland Security and Former Governor of Pennsylvania

Seats are limited - register now to take advantage of our early bird conference registration discount and book your room at a special conference rate! Visit www.idanalytics.com/advance2013/ for more information. For discount opportunities, email marketinginfo@idanalytics.com

Please visit us on the web at www.idanalytics.com to learn more

GDS Industry News

Using Big Data for your business

The term "Big Data" is a popular buzz word in the business world, particularly among large corporations, but what does it actually mean? More specifically, what can it do for Small - to Medium - sized Businesses (SMBs)?

Big Data is essentially large datasets that companies collect and filter through to better understand information. Then, they apply the information to their daily operations. There is often so much information that traditional data processing tools are not sufficient to process all the data. With more data becoming available online, and more companies looking toward the internet to keep their business connected with customers, Big Data can have a huge impact on firms in many industries.

This is where data engine software can come into play, and it's why it is important for companies to know how to use the information well. Businesses can increase profits, banks will be able to improve their lending and even media companies have the opportunity to perfect their products, such as by

creating movies and shows around customer preferences.

Ensuring That Big Data Is Used Properly

When businesses have comprehensive data aggregation software, information can be gathered from numerous areas. For example, retail stores can find point-of-sale information and then track that against other data points, such as a particular business' location and even what the weather was like on a certain day.

Separately, certain pieces of information might not seem that important, but when brought together, customer habits can be pinpointed. If company leaders understand how shoppers make purchasing decisions, they can better match their sales to those needs.

Banks can also benefit in similar fashion. Mobile technology is increasing in popularity, and many financial institutions are trying to adapt to those trends. Banks can team up with retail companies to encourage clients to use their mobile phones at particular stores. As merchants control rewards and information on what a customer is interested in-and banks control the mobile wallet-the two teams can use Big Data to provide offers on a timely basis.

Banks can discover trends and patterns in how their customers pay, as well as annual revenues and geographical information. For example, financial institutions can see how often customers pay by check and then a business could determine the most efficient ways to accept payments, based on the most common forms.

Customers' shopping habits could be tracked down to the time in which they enter a store. The more that a company - whether it is a retail store or a bank - knows about its clientele, the more personalized its service and products can be.

Staying Secure with Big Data

Security is a common issue with more businesses becoming dependent on online services. Cyber threats are something that no company wants to experience, but it is a very real threat that companies in all industries need to prepare for.

Financial institutions can use Big Data to protect themselves against fraud, and prevent fraudulent behavior from happening in the future. Security teams can find trends more quickly, and will be more likely to spot unusual activity. For example, if a business always accesses a database at a certain point in the day, anyone attempting to log in at a different time could be a threat.

Data will not have to be tracked down and analyzed by individuals - the right software tools in place will be able to handle that task.

Thinking Outside the Box

Big Data does not have to be confined to tracking customer information - it is a strong tool for businesses in all industries. Whenever there is a large amount of data that must be filtered through and then put to good use, having strong data management software in place is vital.

One company that has taken advantage of Big Data is Internmatch, a startup that connects college students and recent graduates to internships. Similar to LinkedIn, Internmatch is designed to determine the interests and skills of applicants and then connect them to companies that are hiring. This will benefit those who are searching for an internship as well as the businesses that need extra staff.

The business can gather detailed information, right down to whether an applicant would be a good fit in a firm's culture. Firms looking for interns want candidates with the perfect combination of hard and soft skills - using Big Data analytics practices can help a company filter through all of that data and find the right individual.

It is similar to how companies can use Big Data to create more personalized service to their customer base.

Big Data Is Not Just For Big Businesses

Just because the term is "Big Data" does not mean that SMBs cannot benefit from applying it in daily operations. On the contrary, small organizations and financial institutions often try to offer more personalized customer service. Being able to understand customer shopping habits is one way to achieve that goal.

Big Data analytics practices are not unattainable for small- to medium-sized businesses. It is simply important that company leaders invest in the right software and then create a fine-tuned plan to use the data to their advantage.

While there are some questions that Big Data will never be able to solve, these resources do have the ability to help businesses make remarkably accurate predictions. For businesses using Big Data, having both the right training and data engine software can help employees see these benefits and use the tools in the most accurate way possible.

Sources

<http://www.newsday.com/columnists/jamie-herzlich/small-business-mining-data-for-opportunities-1.5523611>

<http://www.practicalecommerce.com/articles/4080-5-Ways-Big-Data-Can-Help-Retail-Supply-Chains>

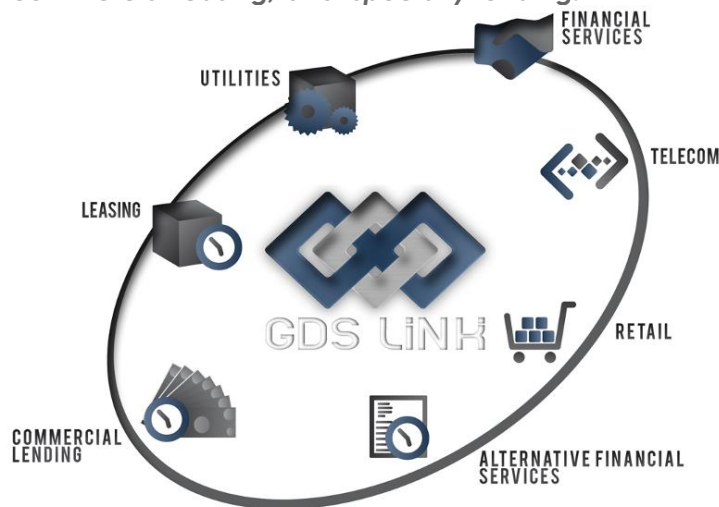
<http://www.banktech.com/business-intelligence/creating-a-customized-banking-experience/240152830>

http://blogs.hbr.org/cs/2013/06/what_the_companies_winning_at.html

<http://www.forbes.com/sites/capitalonespark/2013/05/30/what-can-big-data-do-for-a-small-business/>

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.gdslink.com

