

14 October 2014

Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

*Electronic Lodgement via ASX Online*

Dear Sir/Madam

**Veda Group Limited (VED) – Briefing Slides**

Attached is a copy of slides to be presented on Tuesday 14 October 2014.

Yours faithfully



**Tim Woodforde**  
Company Secretary  
Veda Group Limited

# Veda Briefing

Simon Bligh  
Chief Data Officer

October 2014

# Important Notice



This presentation contains general information about the activities of Veda Group Limited (Veda) which is current as at 14 October 2014. It is in summary form and does not purport to be complete. It presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS)) as well as information provided on a non-IFRS basis. This presentation is not a recommendation or advice in relation to Veda or any product or service offered by Veda's subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision. It should be read in conjunction with Veda's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, and in particular the full year results for the full year to 30 June 2014. These are also available at [www.veda.com.au](http://www.veda.com.au).

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All amounts are in Australian dollars.

All references starting with "FY" refer to the financial year ended 30 June. For example, "FY2014" refers to the year ended 30 June 2014.

1. Recap on Veda and our core capabilities
2. The Bureau
3. How We think about data
4. The Veda Value Proposition



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## Recap on Veda and our core capabilities

## At Veda, data is our business. It's at the heart of what we do

*We are passionate about accumulating and transforming data into meaningful insights to empower our customers to make great decision.*

Veda is a data analytics company and the leading provider of credit information and analysis in Australia and New Zealand.

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The intelligence provided by Veda helps customer make decisions on credit risk, verify identity and employee background, reduce identity theft and fraud, and undertake digital marketing strategies.

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Veda is built on the largest, most comprehensive and current data source in Australia and New Zealand with information on over 20 million credit active people and 5.7 million commercial entities.



# Veda's Business

Enabling customers to improve their decision making



## Proprietary data assets

### Veda proprietary/exclusive data sources

- Credit information on 20 million individuals
- 70 million updates on individuals per annum
- 47 years of historical data and 5 years of enquiry data
- Credit information on over 5.7 million commercial organisations
- Invio consumer insights library
- 2.7 million records in tenancy database
- Insurance claims database
- 5 years worth of defaults from hundreds of businesses

### Public data sources

- Land titles and property information database
- Personal Property Securities Register in Australia
- Largest repository and reseller of ASIC information
- Comprehensive court judgment default collection

### Marketing Data & Analytics

- Public data sources
- Privacy compliant data partners
- Strategic Partnerships
- Predictive Modelling and Segmentation

## Intellectual property and data management

Data collection and storage

Data cleansing

Algorithms

Matching

## Products and delivery channels

Products and solutions

Embedded portals and customer links

## Customer focus

c.12,500  
business  
customers

c.450,000  
consumer  
customers

>14m  
consumer  
audience

>2.2m  
business  
audience

Attractive combination of data assets built up over a 47 year history

Powerful intellectual property/analytics

Embedded delivery systems and long-term customer relationships

## Consumer Risk & Identity



- **Consumer Credit Risk**: credit bureau business that provides consumer credit reports & analytics to assess, monitor and manage credit risk
- **Fraud & Identity Solutions**: helps validate identities and detect fraud
- **Decisioning & Scoring**: assists customers in making credit decisions based on an applicant's risk profile.
- **Collection Services**: assists customers to segment and optimise debtors to improve receivables management
- **Verify**: provides an employee verification service for employees

## Commercial Risk & Information Services



- **Commercial Credit Risk**: provides credit reports, payment behaviour and ongoing credit monitoring for lending purposes and assessing supplier risk.
- **Commercial & Property Solutions**: the access of third party data sources from ASIC, AFSA, PPSR, Court & Property registrars.



# Business Overview

## Business-2-Consumer



**Your Credit & Identity:** providing consumers with access to their personal credit information and VedaScore as well as the ability to receive updates to their credit profile when changes are made.



**Secure Sentinel:** Helping consumers protect themselves against identity theft and assisting them in recovering their lost or stolen items.



**Car History:** providing the history of a used car for consumers and car dealers. Highlights if a vehicle has finance owing, is stolen, written off, or has had the odometer rolled back.



**National Tenancy Database:** tenancy verification and identification service

## Marketing Services



**Inivio** provides marketers with a range of services, tools and capabilities that maximise their marketing effectiveness. Helping them to target their most valued customers across all their marketing channels, when they are most open to an offer



**Smart data driven marketing** - turning data into actionable insights. Offering a range of data services including data warehousing, web analytics, and media attribution in the development of smart data driven campaigns.

# International Footprint

With global Comprehensive Credit Reporting (CCR) experience

## Home Markets

**Australia**  
**New Zealand**

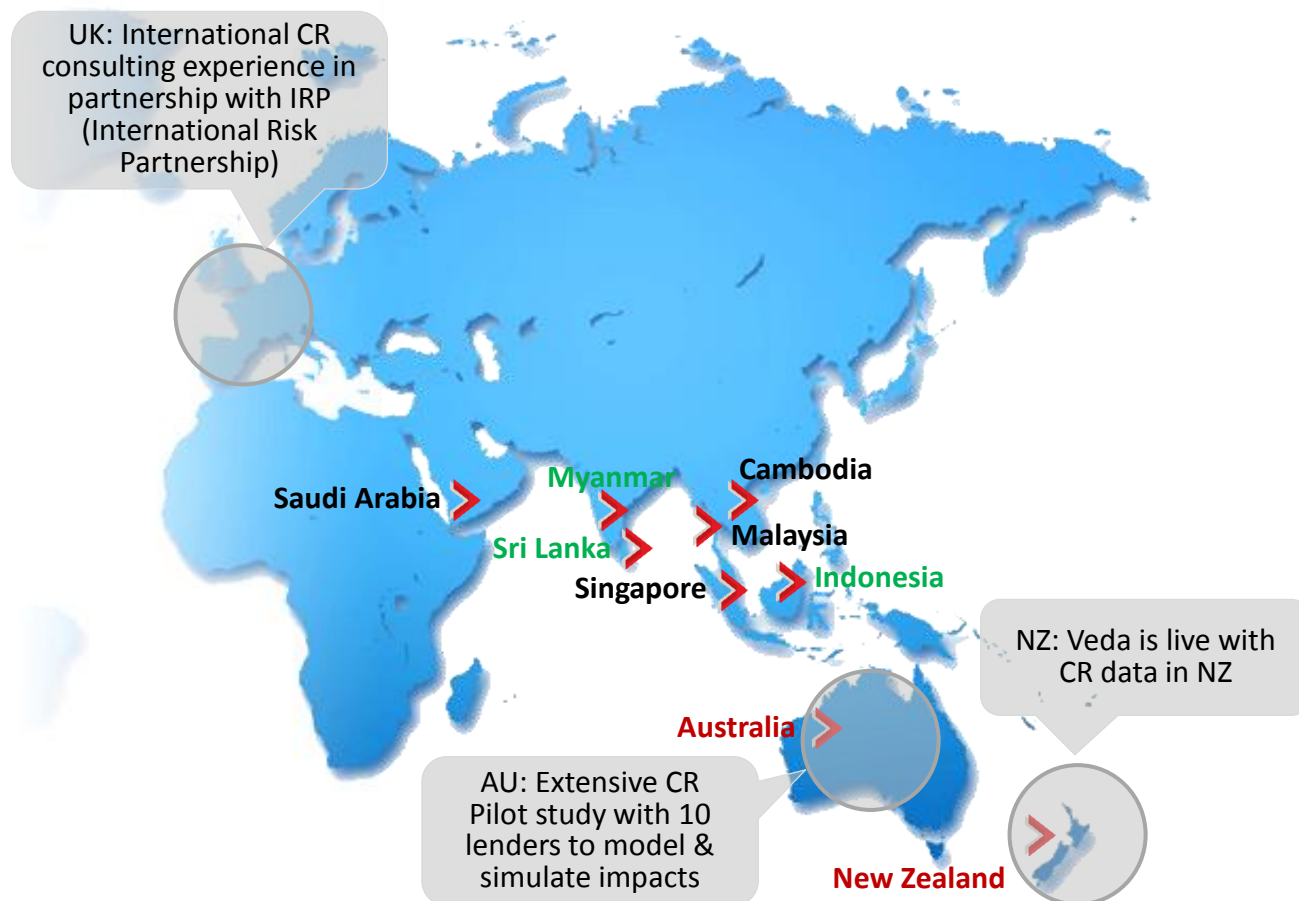
## Existing Int'l Markets

**Singapore**  
**Malaysia**  
**Cambodia**  
**Saudi Arabia**

## Markets in Development

**Sri Lanka**  
**Indonesia**  
**Myanmar**

UK: International CR consulting experience in partnership with IRP (International Risk Partnership)



# Over 40 years of history



**2009**  
Acquisition of Secure Sentinel

**2007**  
Becomes a fully privatised company owned by PEP and MLGPE  
Acquisition of Atlantis Group's marketing division  
Acquisition of ABR and NTD from Collection House

**2006**  
May - Baycorp Collection Services sold in May  
November - Baycorp Advantage becomes Veda Advantage

**2013**  
Acquisition of Corporate Scorecard



**datalicious**



1960

1970

1980

1990

2000

2010

2020

**1967**  
Begins operations as the Credit Reference Association of Australia (CRAA)

**1998**  
CRAA demutualises and becomes a wholly owned subsidiary of Data Advantage

**1999**  
Acquisition of Equigen

**2001**  
Data Advantage merges with Baycorp Holdings to form Baycorp Advantage with dual listings on the ASX and NZX



**2011**  
Acquisition of Verify



**2011**  
Acquisition of Mirus Online



**2014**  
Acquisition of KMS



**2014**  
Acquisition of ITM



**2013**  
Veda Group Ltd (ASX:VED) lists on Australian Stock Exchange

# Strategic Drivers

Data is our business: delivering  
meaningful insights



Diversifying customer base and expanding  
products across our segments



Leading player in the main markets  
we operate

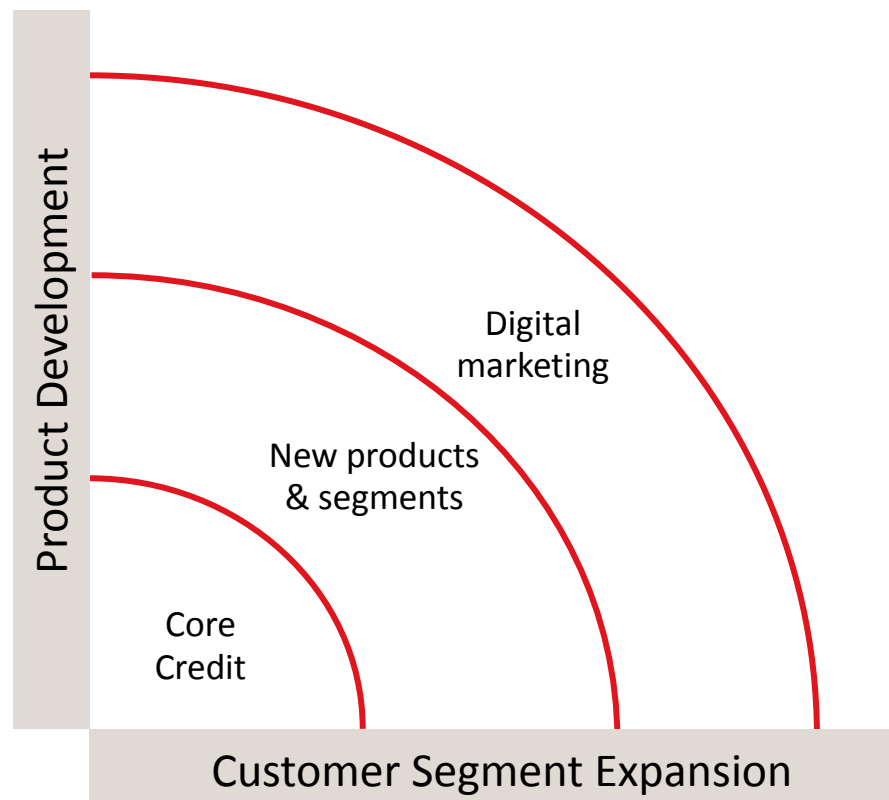
Sustainable competitive advantage



Resilience across economic cycles – 20  
years of consistent growth

# Veda's focused strategies are driving growth

- Diversified into adjacent markets
- Grew product offerings
  - Commercial Risk
  - Collections analytics
  - Information Brokerage
  - Marketing Services
- Expanded into new segments
  - Government
  - Construction
  - Wealth and Superannuation
  - Alternative Finance
  - Utility / Telecommunications

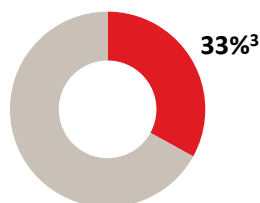


## Australia

### Consumer Risk & Identity

- Consumer credit bureau services
- Identity verification to prevent fraud
- Employee verification
- Scoring and decision analytics

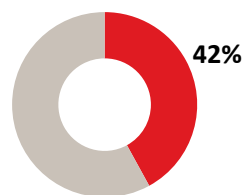
\$100.0m<sup>1</sup> ↑ 11%<sup>2</sup>



### Commercial Risk & Information Services

- Commercial credit bureau services
- Risk analysis of business suppliers
- Third party data access solutions

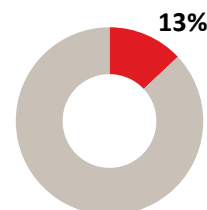
\$125.7m ↑ 13%



### B2C & Marketing Services

- Consumer credit monitoring, identity theft prevention, automotive and tenancy information
- Data driven marketing services

\$40.7m ↑ 10%

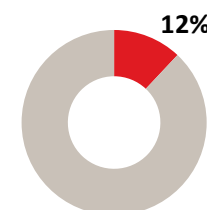


## International

### International

- Consumer and commercial credit bureau in New Zealand
- Bureau investments and joint ventures across Asia and the Middle East.

\$35.6m ↑ 18%



#### Notes:

1. FY2014 Revenue
2. The percentages next to the arrows are year on year growth.
3. Percentages against the doughnut chart above are the proportion of FY2014 revenue.



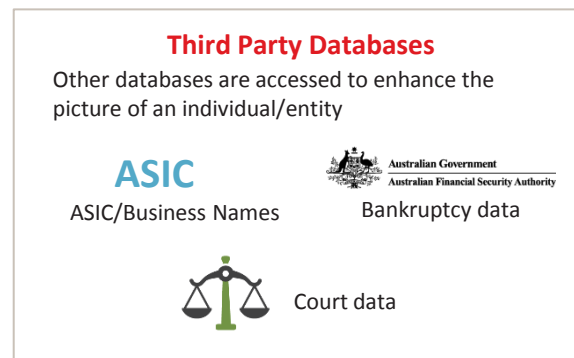
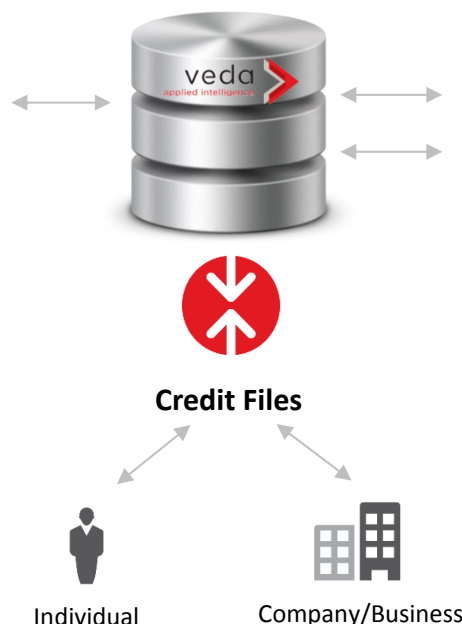
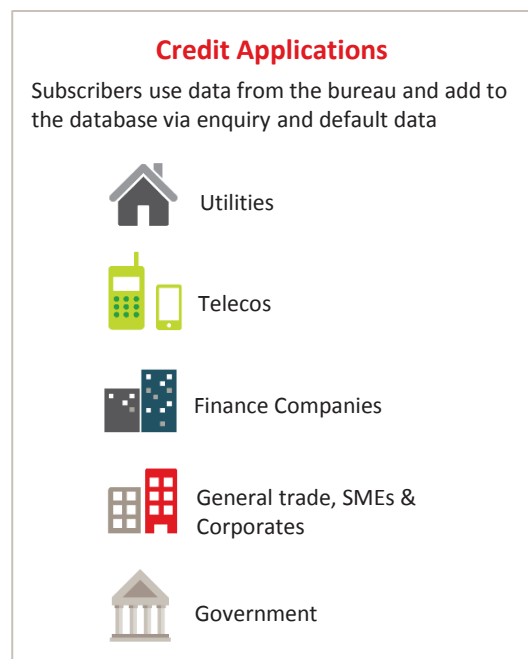
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## The Bureau

# How does a Bureau work?

- The basic concept is that a view of the total market provides more value than your view of your slice of the market
- The network effect constantly reinforces – so the better the centralised view, the better the insight, the more compelling the reason to use the bureau. Veda see more
- The key skills are; collecting, matching, augmenting and predicting from data all in a highly confidential and privacy compliant way. Veda have done this for 47 years





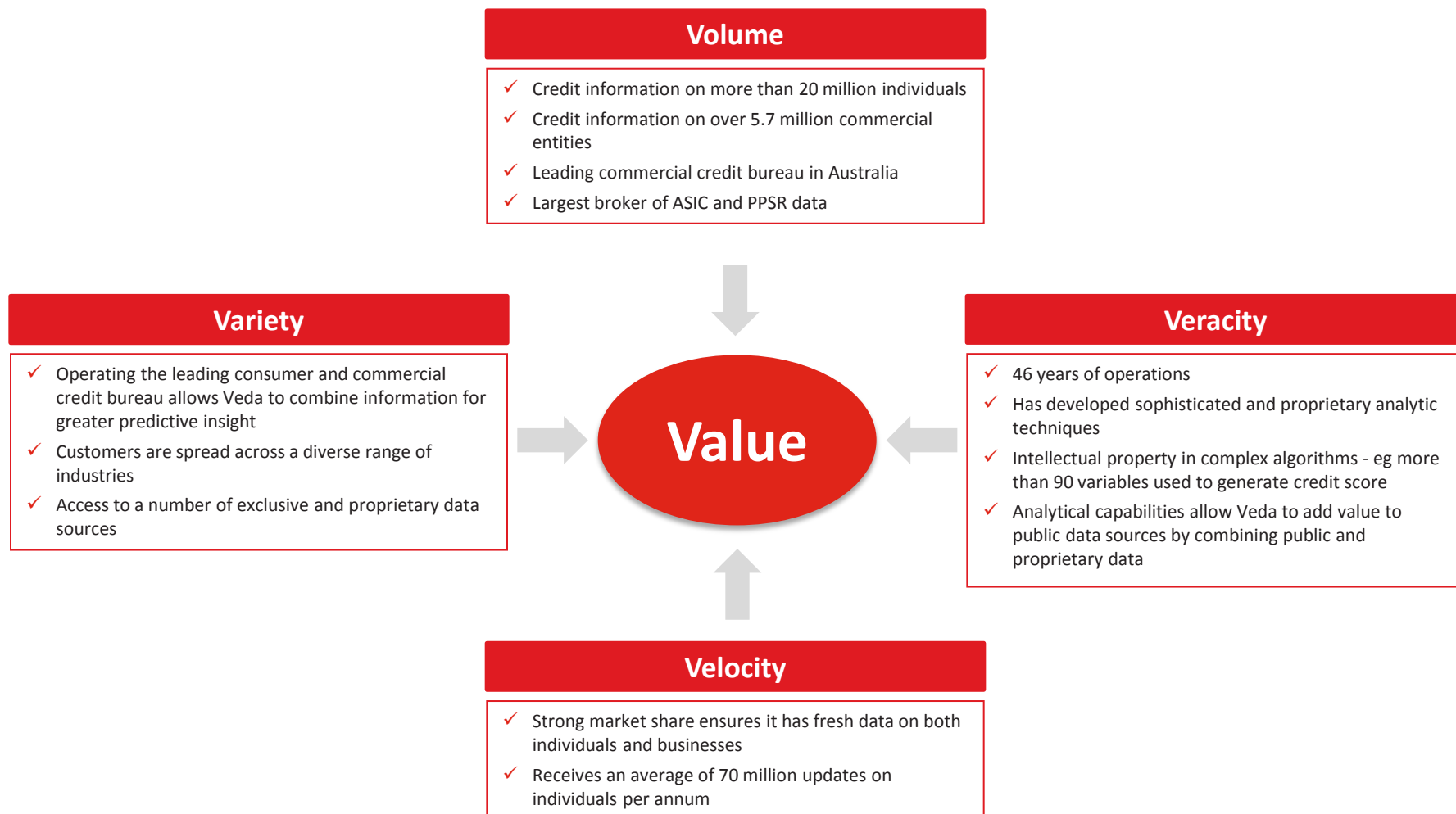


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## How We think about Data

# How We think about data





# 4

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## The Veda Value Proposition

# Assessing the value of a Bureau

Missed opportunities and unnecessary risks taken

## **OPPORTUNITY COST** **Declined & Low Risk**

indicates where customers were rejected but would have accepted using VedaScore.

## **Declined & High Risk**

indicates where customers are rejected on adverse data and would have likewise rejected using VedaScore.

## **COST OF POOR DECISION** **Accepted & High Risk**

indicates where customers were accepted but using VedaScore were high risk.

Knowing the cost of getting it wrong is critical in any assessment. For example the average credit card bad debt is >\$10k, or the value foregone on a credit card customer can be in the thousands. So rate of error and cost of error are critical components in any assessment.

# VedaScore – why use Bureau scores?

The most predictive market wide risk discrimination score



*VedaScore: designed to provide credit providers with a bureau-based risk profile to assess new credit applicants and make more informed and accurate credit assessment decisions*



Increase profitability: reduce bad debt/increase approval rates over subjective lending



Reduce acquisition costs through automation

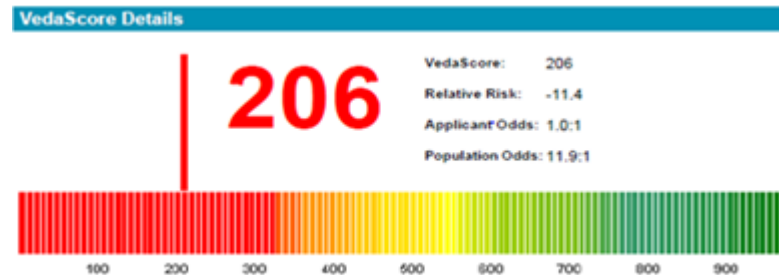


Drive consistent assessment processes

Make the right lending decisions to approve the right customers



Offer terms conditional on estimated credit risk



Lower your risk exposure through access to detailed data

Deliver control of risk to senior management



# Why perform a scoring retro?

- Clearly identify the best solution in the market
- Understand tangible future benefits
- Clearly understand ROI
- Set credit policy optimally for Day 1

## Performing a Retro

### Inputs

- Representative sample of entire portfolio



### Data Fields

- Client Reference
- family-name
- first-given-name
- other-given-name
- gender
- date-of-birth
- drivers-licence-number
- Service commencement date
- Average profit of good accounts
- Average cost to collect a bad account
- Average cost of bad debt
- Current delinquency status



### Outputs

- Profitability of using credit scoring
- Profitability of using bureau adverse
- Recommended credit policy

# VedaScore – why use Bureau scores?

Risk discrimination enables variable risk appetite for lender

- VedaScore assists in making high quality, consistent and fast credit decisions
- VedaScore summarises all the bureau information into a single score
- Highly predictive scores providing best of breed risk discrimination
- Credit decision based on granular risk classification and your risk appetite
- Cut-off can be easily altered according to business strategy

VedaScore	Good Bad Odds	Chance of adverse on file in first 12 months	Risk Rating
<100	...	...	High Risk
100	0.5:1	67%	
200	1:1	50%	Medium risk - Caution
300	2:1	33%	
400	4:1	20%	Moderate Risk
500	8:1	11%	
600	16:1	6%	Low Risk
>600	...	...	Very Low Risk



Variable risk  
appetite zone



## Contact us

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