

D&B Late payment risk score (DDS)

Fact Sheet

Description

D&B's Late payment risk score (DDS) predicts the likelihood of a company paying an account severely delinquent over the next 12 months.

Delinquent Payment is defined as, "At least **10%** of trade experiences **90+** days beyond terms."

Scores are driven by advanced statistical modelling techniques derived from analysis of D&B's extensive database.

Factors

Data elements used in the model to assess the likelihood of delinquent payment include:

- Company demographic information.
- Trade payment information unique to D&B.
- Executive information.
- Public record information.

Performance

The following table provides the delinquency rates for each risk class and associated score range.

Australia

Score Range	Risk Class	Relative Risk Level	Probability of Severely Delinquent Payment
587 - 799	A	Minimal	1.04%
546 - 586	B	Very Low	1.94%
495 - 545	C	Low	4.15%
422 - 494	D	Average	12.21%
387 - 421	E	Moderate	23.47%
340 - 386	F	High	37.90%
286 - 339	G	Very High	59.63%
101 - 285	H	Severe	78.28%

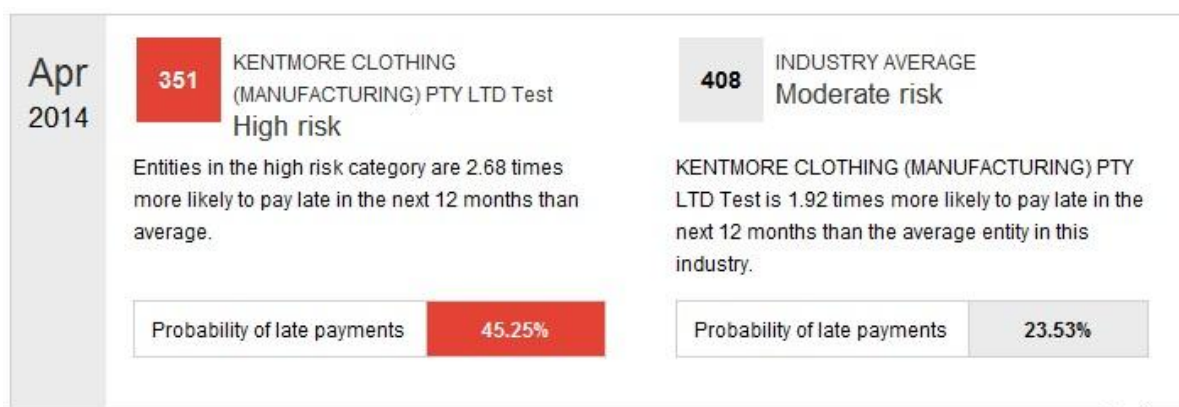
New Zealand

Score Range	Risk Class	Relative Risk Level	Probability of Severely Delinquent Payment
651 - 799	A	Minimal	0.30%
619 - 650	B	Very Low	0.59%
566 - 618	C	Low	1.24%
492 - 565	D	Average	4.23%
441 - 491	E	Moderate	9.52%
390 - 440	F	High	19.82%
338 - 389	G	Very High	39.48%
101 - 337	H	Severe	62.60%

Features

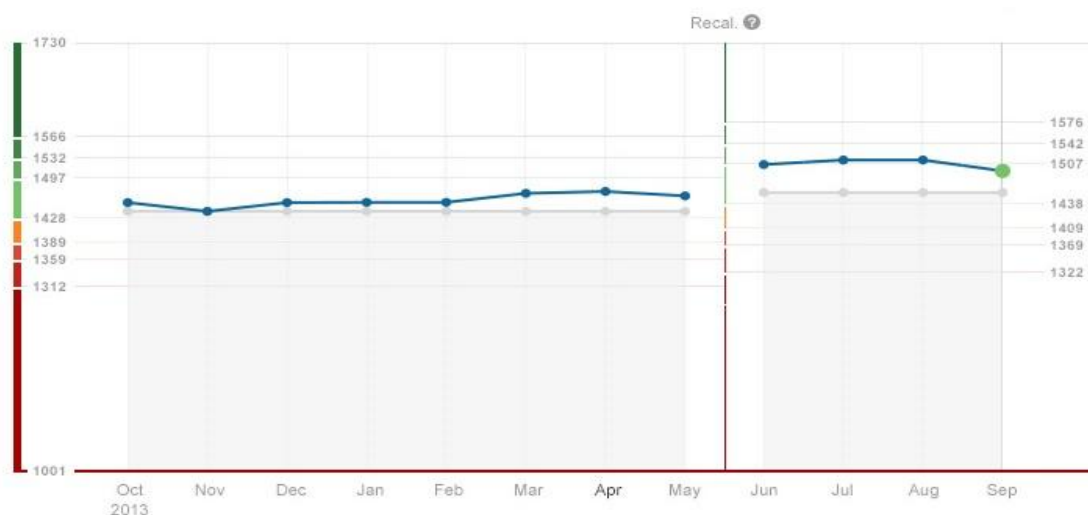
1. Late payment risk Score (DDS)

- The 101 to 799 score is the primary output of the Late payment risk scoring model.
- **101** represents the *highest* risk and **799** represents the *lowest* risk of delinquent payment.
- Each Late payment risk score (within the range 101-799) has a related probability of delinquent payment within a 12-month period.
- The Late payment risk score (DDS) enables customers to determine granular cut-offs in driving decision-making processes.
- Industry averages are also provided as a benchmark to assist evaluating companies operating in different industries, or industries where a different payment behavior may be the norm.



2. Late payment risk score (DDS) trend

- The Late payment risk score (DDS) trend displays the previous 12 months historical scores.



3. Key Influencing Factor

- The *Key Influencing Factor* provides an explanation on the factors that influence the Late payment risk score
- An Example of the Key Influencing Factors included in a report:-

Key influencing factors

- Trade payment information exists for this company in the D&B database
- The location of this firm indicates a potentially higher risk of severely delinquent payment
- The size of this firm indicates a potentially lower risk of severely delinquent payment
- Directorship characteristics indicate a potentially lower risk of severely delinquent payment

D&B's late payment score predicts the likelihood that a business will pay late within the next 12 months. The average entity has a 12.1% probability of late payment.

4. Report Summary

- The D&B Inteflow Core Report summary page displays both the relative risk and the probability of late payment associated with the Late payment risk score.



Late payment risk

KENTMORE CLOTHING
(MANUFACTURING) PTY
LTD Test has a 45.25%
probability of late payment in
the coming 12 months.

Access & Delivery

The Late Payment Risk Score (DDS) can be accessed using existing D&B[®] delivery systems:

- D&B Inteflow Core
- Creditgate
- D&B Express
- D&B Direct
- Data Integration Toolkit
- Managed Inteflow
- Batch delivered files

Products

The following D&B[®] products include Risk base rankings:

- D&B Report
- Risk of Late payment report (Payment Predictor)
- Portfolio Health Check (PHC)
- Market Insight

Further Enquiries

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