

FOR SAFER TRADE

cognition report

How do we determine 'Credit Worthiness'?

Character

Good credentials and references Treatment of employees and customers Adherence to social and legal obligations

Capacity

Volume of debt the company can service Record of payment trend at defined levels Liquidity and solvency levels Payment record

Capital

Funding Investments Shareholder commitment Leveraged debt

Conditions

Industry and economic climate Market sensitivity Operational efficiency Expense control

Collateral

Asset pledge Book cessions Guarantees and suretyship Securitisation

What is a Cognition Report?

The Cognition Report provides qualitative analysis and summarises the level of risk of transacting with entities on a credit basis. Using Coface propriety intelligence, a full and complete analysis per individual debtor is compiled. Uniform methods of rating are used for both local and international debtors. These risk factors are then consolidated into a simplified single number representation, creating an independent and objective rating.

Additional benefits include buyer matching via the EASY repository unique identifier, to ensure you are trading with the correct entity. This presents a single numerical identification system for all commercial entities globally, providing validation against legal entity mis-representation, as a mitigating factor against probable losses. This systematic data validation also assists with basic compliance to the National Credit Act.

What will the solution do for you?

- Assess the contactability of all your debtors
- Assess the collectability of your entire book
- Benchmark debtors book against industry averages
- Measure trends over time
- Measure effectiveness of campaigns
- Measure effectiveness of strategies
- Provide a formal credit risk opinion from an expert analyst
- Segment your book (customisable)





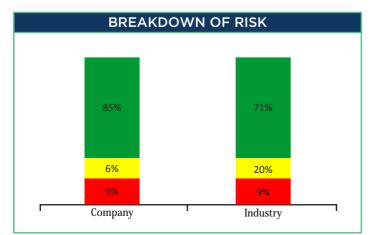
BENEFITS OF THE REPORT

Analyst Summary

A formal summarised opinion by a Credit Risk Analyst providing an expert view of the strength and weakness in your outstanding book. Together with a summarised industry or sectorial overview with opinion on current trends and concerns within the applicable market. This will be accompanied by a full explanation of notations and probabilities of default as a formalised tool to maximise the benefit of the report.

Monitoring (optional)

- Enables trend analysis
- Formal measurement to quantify the effect of new or existing controls
- Augments current credit control procedures
- Provides indicators of credit risk changes in the industry
- Formal method to focus credit control and reduce costs of administration



Debtor Risk Band

This shows the volume of debtors per individual rating within the risk categories and allows insight into the quality of debtors in the industry. It also benchmarks quality of debtors to the industry average and against your competitors.

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Credit Risk Exposure

This shows the receivables exposure by risk weighting, pre-empting collections and bad debt risk and allows insight into the average level of credit risk within the industry. It also benchmarks quality of receivables to the industry average and against your direct competitors. Assists you in the determining of bad debt provisions.

Risk Breakdown Summary

Apportions debtors into risk categories and indicates Coface's categorisation of "investment grade" and "non-investment grade" receivables weighting. Provides benchmark of industry average and assists in quantifying the strength of internal credit controls.



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