

SOURCE INFORMATION

EQUIFAX NEWSLETTER: SERVING YOUR INFORMATION NEEDS

KNOWLEDGE ENGINEERING LIFECYCLE PRODUCTS AND SERVICES

Strategic Planning and Analysis

- Business Discovery
- Competitive Benchmarking
- Wallet Navigator
- Attrition Destination

Account Acquisition

- Aggregated Credit Data/Scores
- Lifecycle Clustering
- Profitability Targeting
- Offer Selection

Loyalty Development and Account Retention

- Customer Databases
- Portfolio Management
 - ◆ Generic Risk Scores
 - ◆ Custom Behavior Models
- Reactivation Strategies

Collection and Recovery

- Time Series and Bankruptcy Models
- Custom Recovery Scores
- Customized Decision Trees

See Page 4 for Some Product Highlights

For more information on how Equifax Knowledge Engineering can help your business, contact Harriet Sidler, Director, Knowledge Engineering, Canada at 416 227 5342.

Equifax Knowledge Engineering: Providing Decision Solutions

Allow us to introduce ourselves...

Equifax Knowledge Engineering brings together leading innovators in decision analytics, knowledge development, analytical sciences, strategic marketing and consulting to help companies solve their business problems. Our mission is to help companies by providing innovative solutions in strategic and tactical marketing, consulting, risk management and database design. We've achieved our expertise in data mining and modeling by taking the time to understand our clients' objectives and providing specific solutions that perform to our clients' expectations in the shortest possible timeframe, at a reasonable cost.

Knowledge Engineering is able to capitalize on Equifax's reputation as a recognized leader in the information business for the past 100 years, and with the full support of the North American organization, develop a team of highly skilled professionals. The North American Knowledge Engineering team currently consists of more than 100 scientists with expertise in risk management, marketing, database construction, statistics and modeling. As such we have become market pioneers in the design, development and implementation of highly advanced decision analytics for clients worldwide.

In an ever-evolving complex business environment, the availability of an integrated approach to business

solutions is essential. We have implemented a wide range of customized account management solutions for our clients, ranging from developing dynamic predictive attrition models and wallet share analyses to providing competitive market share and delinquency reporting. Additionally, we have developed unique and comprehensive account acquisition services using aggregated credit data to improve target marketing by reducing marketing costs, while increasing response and activation rates.

Equifax has made substantial investments in technological innovation over the years, our latest being the implementation of a high-capacity relational database. This has enabled us to connect multiple months of credit data, linking the past to the present to allow us to develop unique and robust customer propositions by incorporating time series credit attributes, demographic and application customer data. ♦

Inside

Executive Announcement	2
Legislative Update	2
Update on Fraud	2
Equifax Acquires Compusearch	3
Equifax Database Stronger than Ever	3
Product Update	3
Bankruptcy Navigator Index	4
Industry Benchmark	4

EQUIFAX
Changing the Shape
of Global Commerce

Executive Announcement

After more than 10 years as President of Equifax in Canada, Veronica Maidman is retiring May 1, 2000. She will remain with Equifax as Chair of the Advisory Council and will provide senior level consulting services.

Rick Cleary will become the new President of Equifax. He joined Equifax in 1989 and has functioned in a number of increasingly senior roles within the organization. Most recently he held the position of senior vice-president and general manager of Credit Reporting. Prior to assuming this role, he was senior vice president and general manager of our Risk Management business. ♦

Legislative Update

Federal Privacy Bill C-6

The *Personal Information Protection and Electronic Documents Act* establishes rules that govern the collection, use and disclosure of personal information in the private sector. The Act will be implemented in three stages from January 1, 2001, to January 1, 2004. The first stage will apply to the federally-regulated private sector, such as banking and telecommunications. The second stage will cover personal health information; and the third stage will impact the rest of the private sector, in the absence of substantially similar provincial legislation.

Since Equifax conducts business in every province, we are actively involved in encouraging the provinces to adopt harmonized privacy legislation to

Update on Fraud

An Equifax Overview of Trends

Based on Equifax's experience we can definitely say that *Identity Theft* is on the rise. In 1998, Equifax handled about 4,000 instances of identity theft or victims of true name fraud. In 1999, Equifax handled almost 6,000 incidents, an increase of 55 percent. In our first quarter in 2000, we experienced a 67 percent increase over the same period last year.

We define *Identity Theft* as occurring when an individual's personal information, e.g. name, SIN, address, date of birth, telephone number, etc., is used either in part or totality, by another individual under false pretense. This wrongly-acquired information is then used to create false applications to obtain credit cards, cell phones, furniture/electronic financing, car leases, lines of credit, mortgages, etc.

This activity has a devastating impact on the individual victim and generates huge losses for creditors. As an intermediary in these transactions, Equifax helps the victims and the creditors manage the impact of identity theft. To protect victims of fraud, Equifax updates their credit files to reflect their true credit profile. Future inquiries will trigger warnings for potential creditors to double-check the identity of the applicant.

For our members we offer a number of fraud prevention products. One of these is SafeScan. To meet the broader needs of our customers, Equifax has rewritten the programming language for SafeScan to make it a stand-alone system. With the completion of this initiative, in addition to offering new warning messages, SafeScan will offer added flexibility and multiple warnings. The target implementation date is the end of May 2000.

Reminder:

Equifax members can request fraud support by calling 1 800 465 7166.

avoid complications of compliance with differing regulatory regimes across the country.

Each province has its own strategy for managing the enactment of C-6 and Equifax will be working with all of them to support our industry's efforts. ♦

Good News on the Alberta Front: *Fair Trading Act*

The Alberta government proposes to amend the *Fair Trading Act* in the Spring of 2000, rather than the initially proposed Spring 2001, to eliminate a provision that changes purge rules from the traditional six years to two years.

Equifax presented its concerns on behalf of industry and consumers to the Alberta legislators, who were unaware of the impact this provision would have on the community. They welcomed our efforts and will be addressing the requested amendment to the act. ♦

Protect Yourself

Tips for Fraud Prevention:

- Be on the alert when asked about personal information – do not give it out unless you are sure of who are dealing with.
- Safeguard the sensitive contents of your wallet.
- Fraud scams – if it sounds too good to be true, typically it is.
- Keep personal information in a safe place.

Equifax acquires Compusearch and Prospects Unlimited as part of Polk Consumer Information Services (CIS) Group Purchase

Equifax has acquired Compusearch and Prospects Unlimited as part of the purchase of Polk Consumer Information Services (CIS) Group from R. L. Polk & Co. The innovative and industry-leading consumer lifestyle and demographic data and direct marketing capabilities developed by the CIS Group complement Equifax's vast consumer credit information, e-commerce, customer relationship management and payment products and services, while positioning Equifax as a major force in the direct marketing industry.

Equifax will build its direct marketing business around the CIS Group including Compusearch in Canada and three U.S.-based business units – Direct Marketing, Data Information Services/Polk Verity, City Directory. Compusearch is Canada's leading provider of micro-marketing data and will continue to develop innovative data, modeling and software solutions that combine list marketing (through Prospects Unlimited), data enhancement, geodemography, custom research and database marketing. ♦

Equifax Consumer Database is Stronger than Ever

Our consumer database started the millennium with 200,000 NEW trade lines from 38 NEW sources. Thanks to the efforts of our Database Enrichment Team, in 1999 we were able to provide local and regional clients with the support necessary to encourage them to report their accounts to Equifax. First, we developed templates to standardize the process, then we implemented File Transfer via Internet to make it easy to transmit data to us. A noticeable growth in data input came from the credit union industry where many local and regional customers came on board.

Not only are we working on increasing the amount of file data, but we constantly review its integrity and accessibility. Our special *Mission One* team's mandate is to develop our database to meet the challenging business objective of *One Complete File, First Time, Every Time*. We have a number of initiatives underway to move us towards that goal and we'll tell you about some of these as we get closer to their implementation.

As we continue to enhance our data, our members will further benefit from better hit rates, refined information and improved accuracy to the scoring process. ♦

Product Update

Gold Continuous Monitoring Commercial Tracking Service

Gold Continuous Monitoring lets you track the performance of commercial customers, competitors, prospects, and suppliers.

In these days of *just-in-time* delivery, it becomes important to be aware of the reliability of parts manufacturers and trucking companies. Problems that can shut down assembly lines are costly. Equifax's Gold Continuous Monitoring can warn you daily of new commercial legal suits, judgments, collection claims and returned cheques being placed against your suppliers.

You might also consider tracking your own branches, subsidiaries, affiliates and companies you have invested in.

Gold Continuous Monitoring can warn you when to hold shipments, start collection efforts, switch to a new supplier or re-assess a planned acquisition.

All you need to do is supply Equifax with the name and address of the companies you wish to monitor. For an annual charge of \$3.00 per account, plus a total monthly processing fee of \$15.00, you will receive a daily tracking report of negative occurrences. In addition, you will receive a monthly inventory of all the businesses being tracked with each company's risk score and speed-of-payment score.

For more information on Gold Continuous Monitoring, please call Chad Wiesner at 1 877 809 5176. ♦

Introducing Equifax by PSYTE

Created in partnership by Compusearch and Equifax, Equifax by PSYTE consists of over 70 credit variables. Updated annually, the product represents over 20 million individuals aggregated to Compusearch's 60 PSYTE clusters. ♦

Who knew
they weren't worth a dime?

Equifax online credit reports. Get the low-cost lowdown on over 1.8 million Canadian companies.

visit us at: www.equifax.ca

EQUIFAX
Changing the Shape
of Global Commerce

Bankruptcy Navigator Index

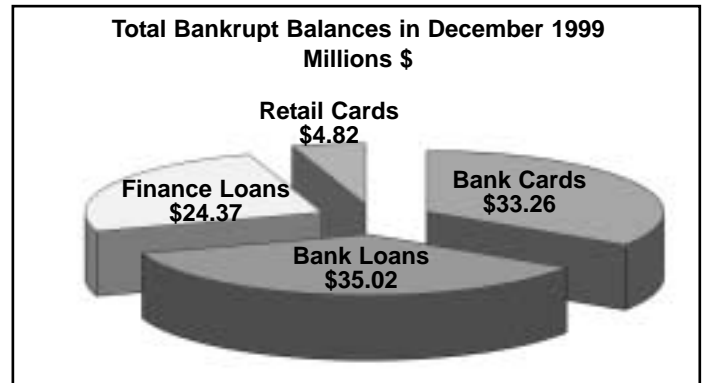
A perspective on exposure

Bankruptcy is a serious problem. Until now there has been no comprehensive, proactive, systematic way to predict when personal bankruptcies will occur – and how to lessen the impact. Bankruptcy Navigator Index changes all that. Built by Equifax Knowledge Engineering to address the bankruptcy risk challenges in the Canadian marketplace, it's a powerful solution that puts your total exposure into perspective.

From account acquisition through to delinquency management, this tool gives you a complete diagnostic picture of your present status and the information to guide your future course of action.

Bankruptcy Navigator Index draws on the strength of logistic regression and statistical power to predict bankruptcy risk within the next 24 months. Using the most current data extracted from the Equifax Consumer Credit Database and validated across all major industries, the index is available on-line and off-line.

The primary benefit of this tool is to enable you to significantly decrease your bankruptcy losses.



Some of the features to your company of using the Bankruptcy Navigator Index include:

- Advanced risk segmentation
- Credit predictability at any point during the credit life cycle
- Easy integration with other scoring tools.

“We have effectively validated BNI on a sample of new accounts and have recently implemented this tool on specific acquisition segments with a goal to minimize bankruptcy losses and maximize the number of accounts booked. The preliminary results indicate that BNI assists us in isolating high bankruptcy risk accounts not currently being identified by a traditional risk score alone.”

David Craig, Director, Portfolio Management
Card Products Division, CIBC

Industry Benchmark

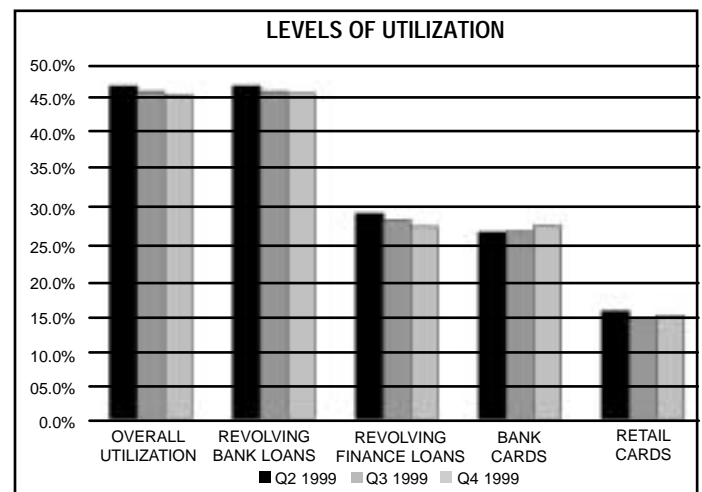
A yardstick to measure how well your business is performing

If you knew how your business compared to the industry standard, could you improve your strategy? Now you can! You can get the information you need from Industry Benchmark, a new comparative analysis service from Equifax Knowledge Engineering that tracks the performance of the Canadian consumer credit market.

Developed to respond to the increasingly competitive environment that currently exists across all industries, Industry Benchmark helps you compare your business to the rest of the consumer credit market. Built on the strength of Equifax's Consumer Credit Database, this service delivers the kind of industry information you need to make informed decisions.

Industry Benchmark examines total accounts, credit limits, outstanding balances, levels of credit utilization and delinquency. Analyses are presented in industry groups such as – Banks, National Credit Cards, Sales Finance, Personal Finance and Retailers. Based on the information presented, you can determine if and how to adjust your strategies to align with, or move away from, the industry standard.

Available by subscription, Industry Benchmark can be used to assess your risk management strategies, account acquisition and portfolio management opportunities.



Presented are some of the most recent Industry Benchmark results on Canada as they relate to consumer debt and utilization.

TORONTO OFFICES

Executive Editor, Johanna Schueller
110 Sheppard Avenue East
Toronto, ON M2N 6S1
Telephone 416 227 5290
Fax 416 227 5394

MONTREAL OFFICES

7171 Jean Talon Est
Ville d'Anjou, QC H1M 3N2
Telephone 514 493 2302
Fax 514 355 8502

Comments and requests for additional copies should be addressed to Josie Ferrara in the Toronto office
Telephone 416 227 5411
Fax 416 227 5394

