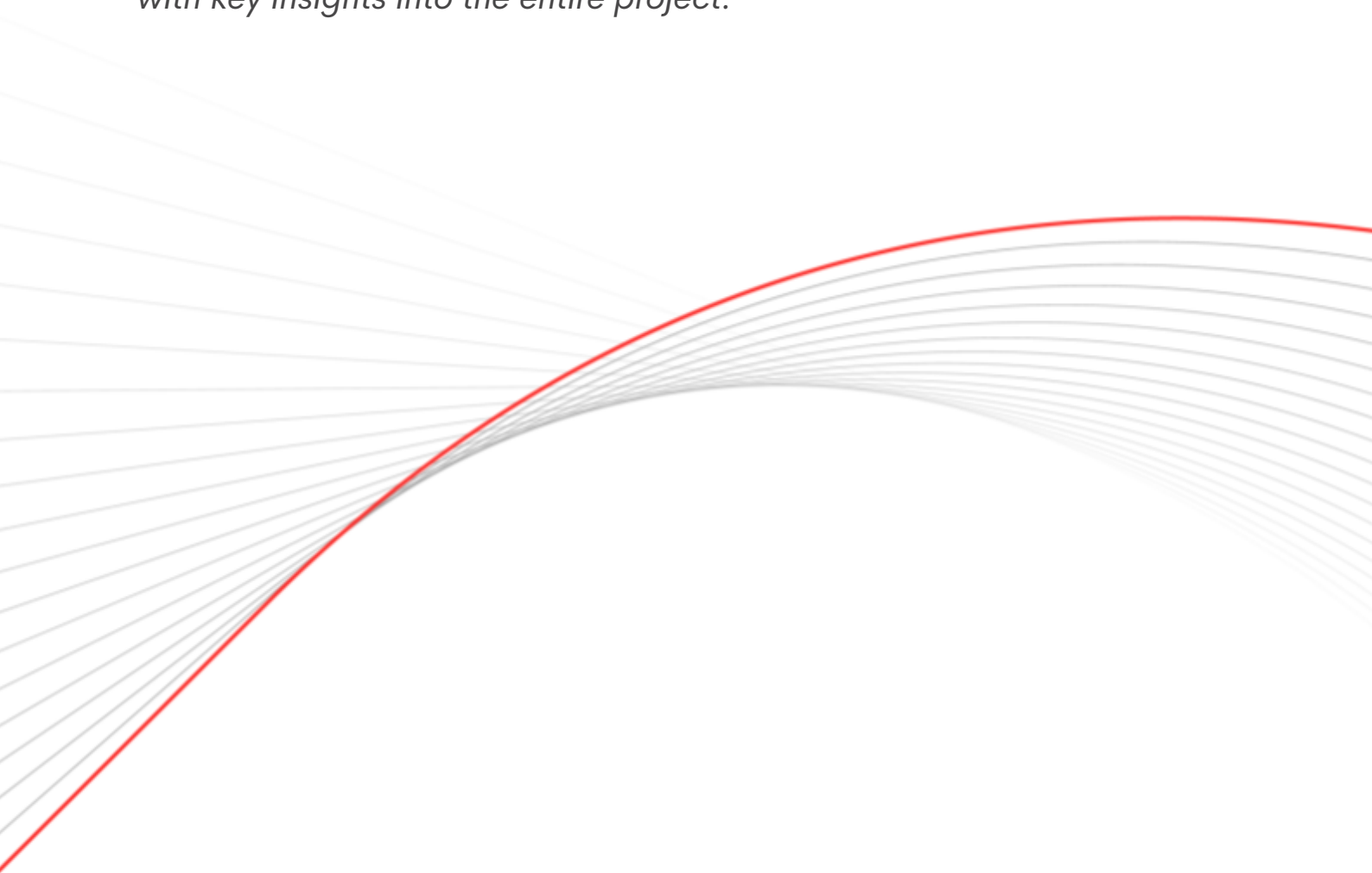




The Belgian Scorecard 2022

The "How-To" Booklet -

*A complete and detailed overview of the new Belgian scorecard,
with key insights into the entire project.*



Introduction

Creditsafe Belgium renews its scorecard(s).

Our credit scores have always predicted the probability that a company would become bankrupt. With these latest improvements, we can now predict even more insolvencies, so that you have even less risk when extending credit to companies in Belgium.

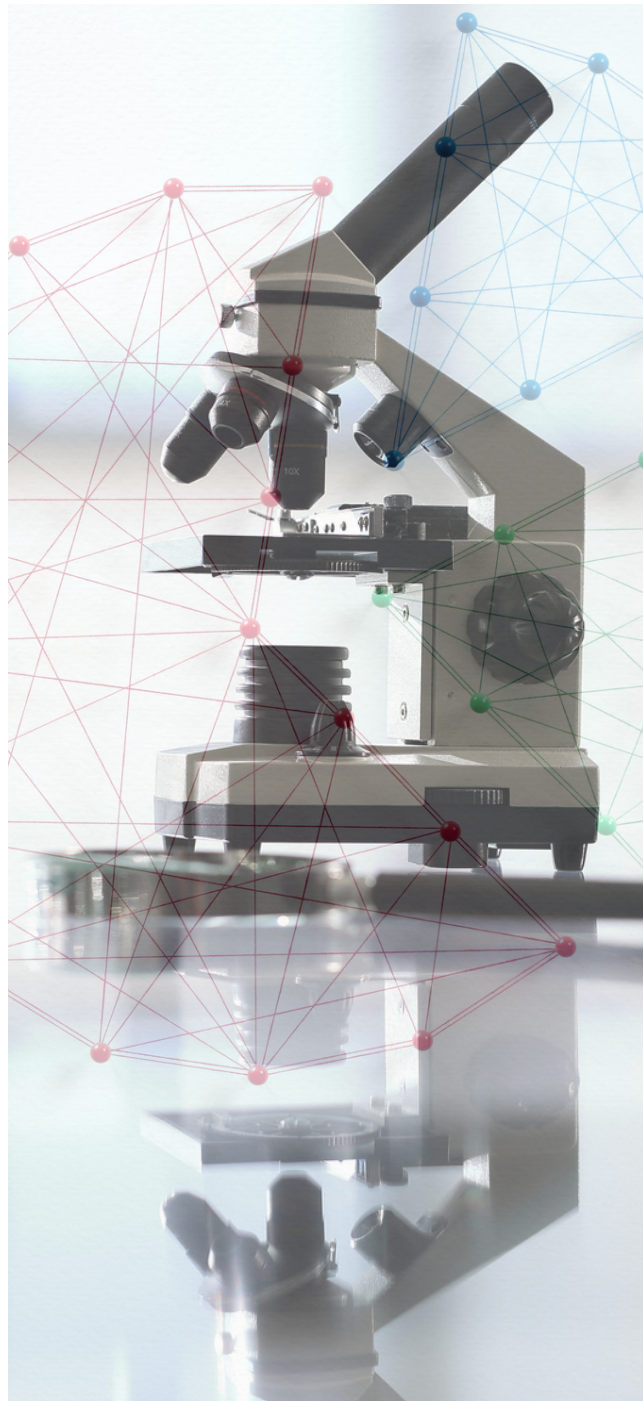
In order to guide you as best we can during this project, it is important for us and for you to be fully up to speed with the developments.

We have already created a general scorecard guide and a detailed technical summary for you, which you will be able to find on the dedicated Belgian scorecard web page.

This new document aims at informing you as completely as possible about the changes, the new elements, the technicalities explained and the essentials to know.

You will notice that this contribution will repeat some of the topics from previous, shared content, which is of course intended to keep you as well informed as possible.

An all-in-one document, so you can fully understand the story and the logic behind the renewed Belgian scorecard.



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Why renewing the Belgian scorecard?

Every year, hundreds of millions of business decisions are based on Creditsafe data insights. Our credit scores and limits are used by companies of all sizes across multiple industries to make quick and informed decisions, automate workflows and determine strategic direction.

We are proud to be the world's most widely used provider of commercial credit reports and make it our highest priority to provide accurate data and highly predictive scores to our customers around the world.

A twofold explanation

On the one hand, to give our customers an even better and more up-to-date insight into the various credit risks, with a more accurate probability. On the other hand, to be in line with the current economic developments. Therefore, a new generic set of scorecards has been developed by our Group Analytics Team of data experts.

Creditsafe is continuously working to improve its credit scores, using the latest knowledge in statistical scoring methods and optimizing and maximizing the use of the ever-expanding database.

This makes it possible to extract more and more relevant data from different processes and ensures that Creditsafe uses the most up-to-date and relevant information available for the Belgian market.

This improves the way companies are scored and makes better and more predictive assessments of a growing number of companies, even in cases where less information is available.



What is a scorecard?

Creditsafe scorecards are a series of highly predictive algorithms created by our in-house Analytics Team. Using advanced statistical techniques, the team evaluate over 5 million rows of validated data from over 8.000 trusted sources globally.

Each economic region within our group has its own bespoke scorecard built to accurately reflect the local characteristics and trends of the region. Of the hundreds of variables evaluated, only those which are statistically indicative of failure or stability are compiled together to create the scorecard. The scorecard is then applied to the current business population of that country and continually assesses each company as any changes occur in their circumstance.

A '**Probability of Default**' (= PD or PoD) for each business is determined by the scorecard, which, in turn, assigns the corresponding score between 1 and 100, or A-D for its international rating.

What is a credit score?

The Creditsafe credit score calculates the probability of a company becoming insolvent or bankrupt within the next 12 months. The company score is calculated using the most advanced statistical algorithms available. Over 150 parameters are taken into account, including economic and industry factors, as well as historical data.

Using a differentiation analysis, we have identified key data variables that are critical in predicting the likelihood of a company becoming insolvent over the next 12 months. These variables are then compared to our entire company database and a statistical analysis is performed to assign an appropriate risk weight to each variable.

By calculating these key variables, combined with the predominant variables, we generate a credit score for each individual company.

What is a credit limit?

The recommended amount can be defined as the maximum amount that could be given in credit to a company.

The recommended credit limit from Creditsafe is calculated based on the Creditsafe score, and on the analysis of available company information including financial and structural data of the company.

By analysing the critical areas of credit information in combination with the company's credit score, we can determine a credit limit decision more accurately.









Data Preparation & Population Design

What are the factors that affect a company's credit rating?

From over 8.000 data sources worldwide, we carefully identify the factors that have a strong correlation with business bankruptcies.

From small local companies to large multinationals, the factors that influence or indicate a company's eventual bankruptcy vary by company size and industry. To increase the predictability and stability of our credit score, Creditsafe segments all companies within a population based on available information, size and type of company.

Within each credit scorecard, the importance that each factor has on the credit score will vary according to the statistical relevance it shows in relation to a business failure within a 12 month period. Below we show some of the elements used to calculate the credit score for the new scorecard.

	Official Publications		Filed annual accounts
	Address changes		Linked companies
	Director changes		Company size
	Industries		Company types

Sample Design

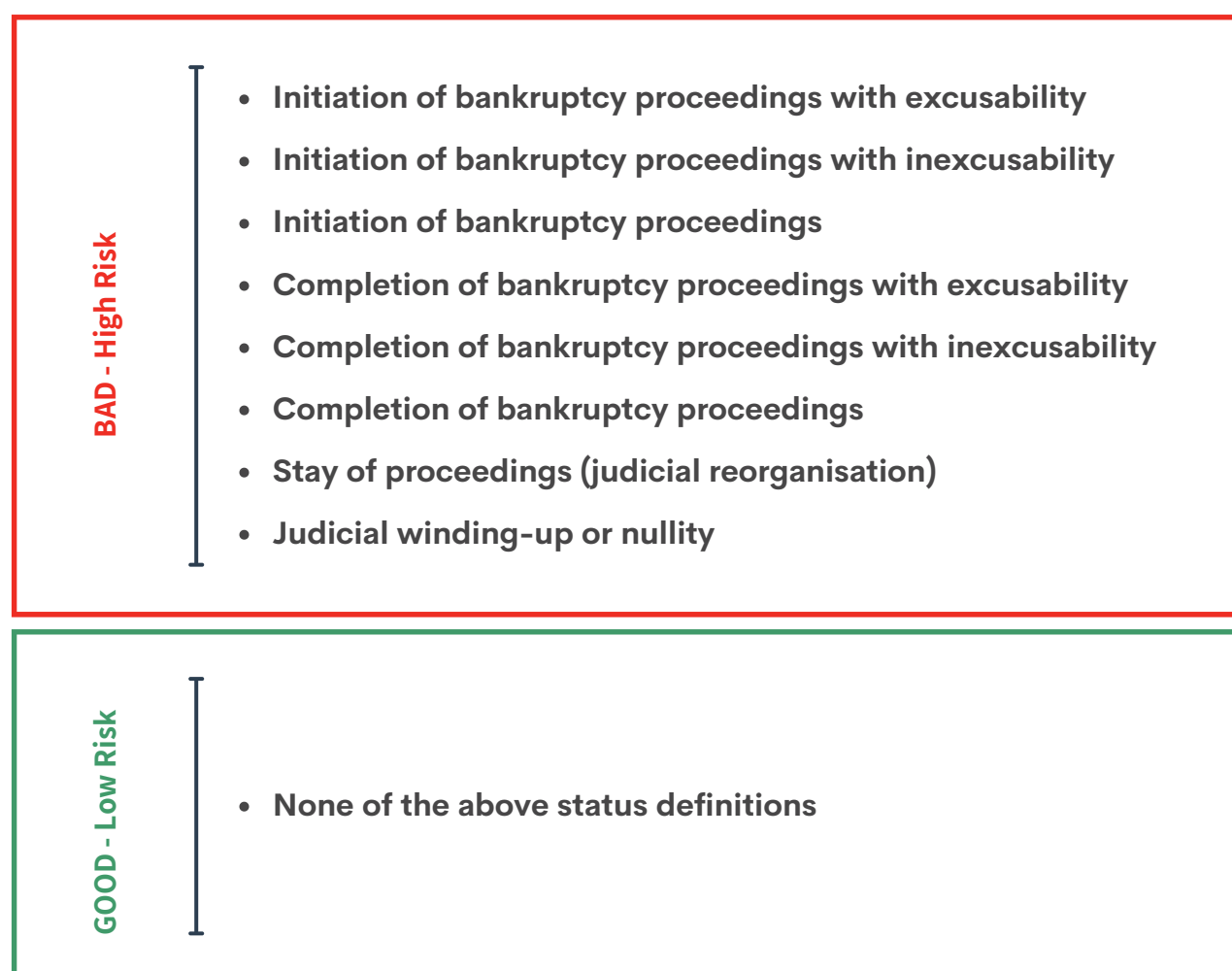
The scorecards were developed from a generic sample of Belgian data extracted from the Creditsafe data pool. The selection of the sample definition satisfied the following:

- The generic sample was created to recognise economically active companies. There are sufficient businesses to develop a robust scorecard.
- Each business had a 12 months' exposure period, this is sufficient for business performance to be reliably assigned.
- The window covers a full year to avoid seasonality.
- The sample window is recent enough to be representative of the future Belgian population.

The scorecard development sample was created taking business information from 1st September 2016 to 1st September 2018, giving 24 months of information. A 12-month outcome period was then used from 1st September 2018 to 1st September 2019 to assign the good/bad population.

Creditsafe Belgium definition of Default

The Creditsafe score predicts the likelihood of a business failing over a 12-month period. The performance definition defined for the Belgian scorecard development as below. The performance definition is designed to clearly identify why a business is considered to be high or low risk.



Scorecards segmentation

Creditsafe is proud to have the world's largest database of company credit information data, which is constantly growing as we collect more company data. This has allowed us to classify the populations of many countries into more distinct groups, allowing us to produce more predictive models.

No two companies are identical, but many show similar signs of insolvency within the population. Companies come in many different shapes and sizes, from your local independent coffee shop to a supermarket giant. Understandably, these businesses will present a different set of characteristics when they are heading into difficulty and have a strong likelihood of failure.

To enhance the distinctiveness of the credit scorecard, the population is segmented.

The essential concept behind Creditsafe's scoring approach is to accurately predict business behaviour (in terms of their good/bad performance over the next 12 months) using a set of characteristics that clearly identify why a business is considered to be high or low risk. To increase the discriminative power of the scorecard solution, segmentation was conducted.

The goal of segmentation is to define a set of sub populations that, when modeled individually and combined, will rank the credit risk better than a single model on the total population in each country. The main base for segmentation of the Belgian Business population is the size and legal classification of the company:



Companies with financial accounts

- Micro companies
- Small companies
- Medium companies
- Large companies

Companies without financial accounts

- New Business & Starters – companies who have not yet filed their accounts
- Other companies
- Sole traders

The Probability of Default



The Probability of Default (PD or PoD) is a mathematical calculation that shows how likely it is that a company will fail or become insolvent within 12 months of the date of application for a particular credit.

Creditsafe's scorecard provide a score between 1 and 100 representing the highest and lowest risk respectively.

This scale was produced using the probability of default (PoD) output.



The PoD is a simple representative way for companies to accept, modify or even reject credit applications. This probability can be applied to a wide range of scenarios for risk management and credit analysis. The PoD depends not only on the characteristics of the debtor, but also on its economic environment.

With the launch of the new scorecard, the Creditsafe score will be accompanied with a PoD. We calculate the PoD for each company individually based on their combination of characteristics. To make the PoD easy to read at a glance, we convert it into a simple score, which runs from 1 (highest risk) to 100 (lowest risk).

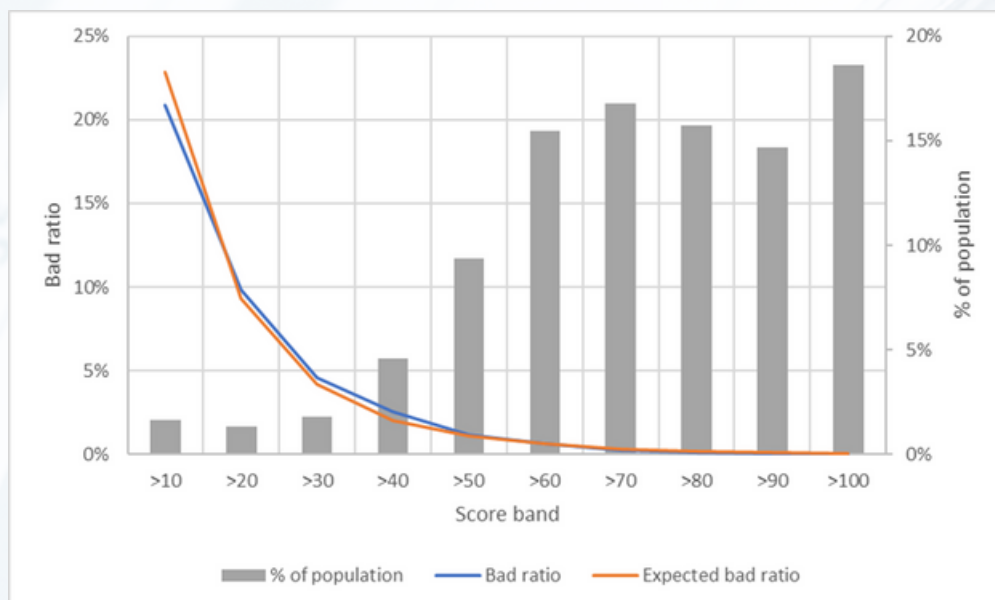
It is important to note that the score itself is not a percentile score where the company database population is forced into certain positions to achieve a desired distribution. The score will still be created from the PoD, but since the PoD will be kept at a company level instead of matching the scores, there will be a range of PoD's relating to each score.

The development of the new scorecard has resulted in the production of a new PoD table, which you can see on page 11. On the following page are condensed tables showing the PoD range for each risk band from A to D.



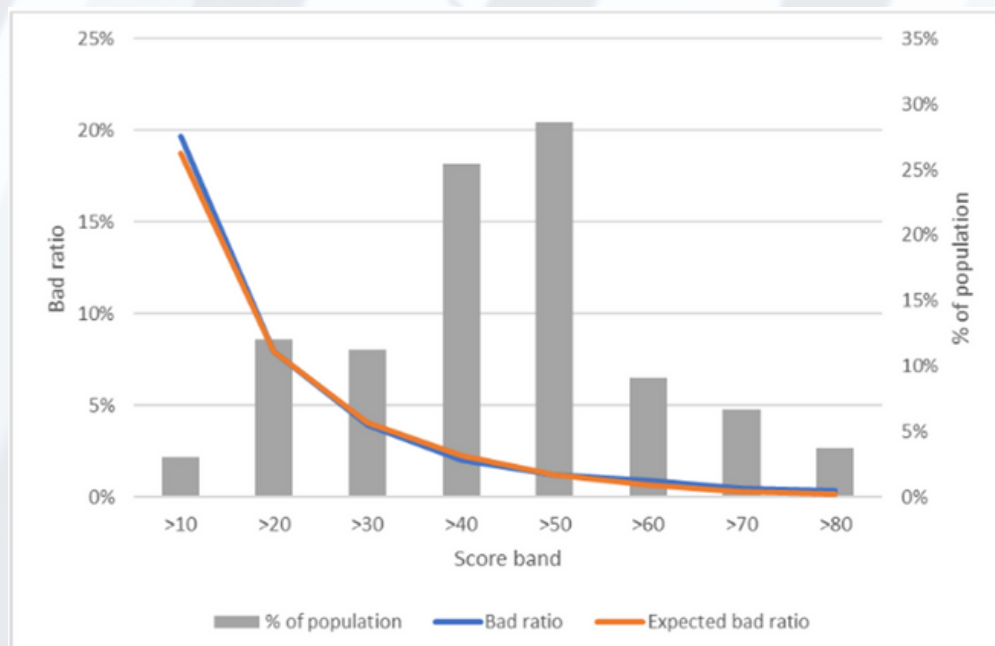
Population matrix for companies with filed accounts

Score band	Min PD	Max PD	Min Score	Max score	Bad ratio	% of the population
A	0,01%	0,24%	71	100	0,05%	49%
B	0,24%	0,83%	51	70	0,44%	32%
C	0,83%	3,02%	30	50	1,67%	14%
D	3,02%	99,99%	1	29	12,07%	5%



Population matrix for sole traders

Score band	Min PD	Max PD	Min Score	Max score	Bad ratio	% of the population
A	0,01%	0,24%	71	100	0,06%	4%
B	0,24%	0,83%	51	70	0,69%	16%
C	0,83%	3,02%	30	50	1,62%	55%
D	3,02%	99,99%	1	29	7,77%	25%



A new Probability of Default (= PoD) table

Score	Min PD	Max PD	Band	Score	min PD	Max PD	Band
100	> 0,00%	<= 0,00%	A	50	> 0,83%	<= 0,88%	C
99	> 0,00%	<= 0,04%	A	49	> 0,88%	<= 0,94%	C
98	> 0,04%	<= 0,04%	A	48	> 0,94%	<= 1,00%	C
97	> 0,04%	<= 0,05%	A	47	> 1,00%	<= 1,07%	C
96	> 0,05%	<= 0,05%	A	46	> 1,07%	<= 1,13%	C
95	> 0,05%	<= 0,05%	A	45	> 1,13%	<= 1,21%	C
94	> 0,05%	<= 0,06%	A	44	> 1,21%	<= 1,28%	C
93	> 0,06%	<= 0,06%	A	43	> 1,28%	<= 1,36%	C
92	> 0,06%	<= 0,06%	A	42	> 1,36%	<= 1,45%	C
91	> 0,06%	<= 0,07%	A	41	> 1,45%	<= 1,54%	C
90	> 0,07%	<= 0,07%	A	40	> 1,54%	<= 1,64%	C
89	> 0,07%	<= 0,08%	A	39	> 1,64%	<= 1,74%	C
88	> 0,08%	<= 0,08%	A	38	> 1,74%	<= 1,85%	C
87	> 0,08%	<= 0,09%	A	37	> 1,85%	<= 1,97%	C
86	> 0,09%	<= 0,09%	A	36	> 1,97%	<= 2,10%	C
85	> 0,09%	<= 0,10%	A	35	> 2,10%	<= 2,23%	C
84	> 0,10%	<= 0,11%	A	34	> 2,23%	<= 2,37%	C
83	> 0,11%	<= 0,11%	A	33	> 2,37%	<= 2,52%	C
82	> 0,11%	<= 0,12%	A	32	> 2,52%	<= 2,67%	C
81	> 0,12%	<= 0,13%	A	31	> 2,67%	<= 2,84%	C
80	> 0,13%	<= 0,14%	A	30	> 2,84%	<= 3,02%	C
79	> 0,14%	<= 0,15%	A	29	> 3,02%	<= 3,03%	D
78	> 0,15%	<= 0,16%	A	28	> 3,03%	<= 3,27%	D
77	> 0,16%	<= 0,17%	A	27	> 3,27%	<= 3,53%	D
76	> 0,17%	<= 0,18%	A	26	> 3,53%	<= 3,82%	D
75	> 0,18%	<= 0,19%	A	25	> 3,82%	<= 4,12%	D
74	> 0,19%	<= 0,20%	A	24	> 4,12%	<= 4,45%	D
73	> 0,20%	<= 0,21%	A	23	> 4,45%	<= 4,80%	D
72	> 0,21%	<= 0,23%	A	22	> 4,80%	<= 5,18%	D
71	> 0,23%	<= 0,24%	A	21	> 5,18%	<= 5,59%	D
70	> 0,24%	<= 0,26%	B	20	> 5,59%	<= 6,03%	D
69	> 0,26%	<= 0,27%	B	19	> 6,03%	<= 6,50%	D
68	> 0,27%	<= 0,29%	B	18	> 6,50%	<= 7,00%	D
67	> 0,29%	<= 0,31%	B	17	> 7,00%	<= 7,54%	D
66	> 0,31%	<= 0,33%	B	16	> 7,54%	<= 8,12%	D
65	> 0,33%	<= 0,35%	B	15	> 8,12%	<= 8,74%	D
64	> 0,35%	<= 0,37%	B	14	> 8,74%	<= 9,40%	D
63	> 0,37%	<= 0,39%	B	13	> 9,40%	<= 10,10%	D
62	> 0,39%	<= 0,42%	B	12	> 10,10%	<= 10,85%	D
61	> 0,42%	<= 0,45%	B	11	> 10,85%	<= 11,65%	D
60	> 0,45%	<= 0,48%	B	10	> 11,65%	<= 12,50%	D
59	> 0,48%	<= 0,51%	B	9	> 12,50%	<= 13,40%	D
58	> 0,51%	<= 0,54%	B	8	> 13,40%	<= 14,36%	D
57	> 0,54%	<= 0,57%	B	7	> 14,36%	<= 15,37%	D
56	> 0,57%	<= 0,61%	B	6	> 15,37%	<= 16,44%	D
55	> 0,61%	<= 0,65%	B	5	> 16,44%	<= 17,57%	D
54	> 0,65%	<= 0,69%	B	4	> 17,57%	<= 18,76%	D
53	> 0,69%	<= 0,73%	B	3	> 18,76%	<= 20,01%	D
52	> 0,73%	<= 0,78%	B	2	> 20,01%	<= 21,32%	D
51	> 0,78%	<= 0,83%	B	1	> 21,32%	<= 99,99%	D

Why is the PoD important?

The PoD will ultimately tell you exactly how stable any company is and more importantly, what the associated risk of trading with it is.

The Creditsafe scorecard provides a score between 1 and 100 for the highest and the respectively lowest risk. This scale is produced based on the outcome of the PoD, expressed as a percentage. The higher the Creditsafe credit score, the lower the PoD percentage and vice versa.

The development of the new model and the new PoD table means that it would be wrong to compare scores on a like-for-like basis. The underlying statistics have changed, the scoring model has changed and as a result, the meaning of the scores from 1 to 100 has changed.

This may result in a company receiving a lower score than previous on the 1-100 scale but the associated risk of this company defaulting or failing will be lower.

Therefore, a company's score can drop from 70 to 60 but for its credit limit to increase at the same time because the associated risks with the company are lower.

It is important to note that this does not mean that all company scores will drop, as some companies will be scored higher than previously.

However where score drops are noticed, the changes in PoD's need to be referenced.



The Gini coefficient and its predictive power



The gini value is a result of the predictive variables in a specific scorecard and a specific population at a specific point in time. The gini value describes how well companies with low scores will capture the proportion of bad companies in the future.

Gini values are not comparable between different populations and different countries and, therefore, can only be compared with itself. Also, the Gini value depends on the predictive variables that Creditsafe has in a specific country.

The less data points available in a specific country, the lower the Gini value.

The Gini is influenced by the variables in the scorecard. If one removes or adds variables in the same population, this will decrease or increase the coefficient. The Gini value can decrease when Creditsafe removes variables that do not correspond to the business knowledge in a certain country.

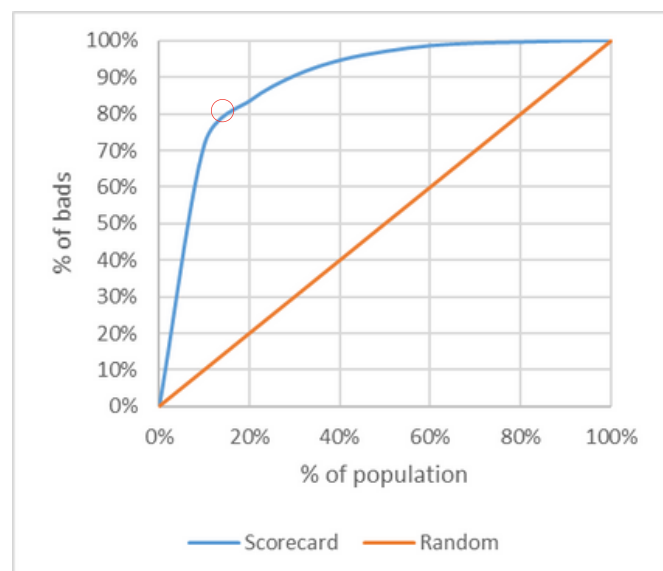
The Gini level is therefore highly dependent on a proper segmentation of the companies in a given country.

The Gini coefficients represent good discrimination across all segments of the Belgian company population.

To provide further comfort around the robustness of the scorecard, Creditsafe validated the scorecards using an out of time validation technique.

The results showed that all attributes were within tolerance with and acceptable level of accuracy. Creditsafe continuously monitor and validate the scorecards to keep them robust.

The overall gini coefficient for the companies with financial accounts is 81%, see graph.



Scorecard Development

Our updated scorecards will bring even greater predictability by incorporating new data, further segmentation and algorithm improvements. This means we will be able to predict even more bankruptcies, so you will be even more comfortable when 'working on credit' with other Belgian companies.



Modelling Methodology

Step-wise Logistic Regression has been used to develop the scorecard. This is the preferred methodology within Creditsafe. Logistic Regression has the benefit of outputting a predicted probability of good; this enables the creation of an accurate score to bad rate prediction.

Checking Business Logic

Even if a variable has predictive power, it is still necessary to check that its relationship with the outcome is logical and as expected. The first check on business logic therefore will be performed during the univariate analysis, discarding the variables that are not suitable from a business.

It is necessary however to perform another overall check the model resulting from the regression. If the analysis had been performed correctly the model should be predictive and correct from a mathematical point of view. It is still necessary to check its validity from the business point of view.

In particular, it is necessary to check that the score points given to the characteristic attributes are assigned in a way that is consistent with the corresponding bad rate of all the characteristic attributes defined for a given characteristic. Particular attention is given to the sign of the score point i.e. minus sign appears where a plus sign is expected and vice versa.

Scorecard Calibration

The output from the logistic model produces individual PoDs for each of the companies and each of the models, respectively. These PoDs have been transformed into a 1-100 Creditsafe score using points double the odds principles. This value was chosen to allow the score and PoD to match at the point required, as well as matching the score distribution expected by the Belgian market. This score is a direct representation of the underlying PoD.

The Creditsafe score bandings

Below is an overview of the different credit risk categories and classifications. The following overview also clearly shows the new classifications compared to the old ones, so that you can get a full understanding of the latest risk score indicators and their classifications.



Old Credit Risk Bandings

Score Banding	Min. score	Max. score	Credit Risk Description
A	91	100	Very low risk
B	75	90	Low risk
C	60	74	Moderate Risk
D	1	59	High Risk

New Credit Risk Bandings

Score Banding	Min. score	Max. score	Credit Risk Description
A	71	100	Very low risk
B	51	70	Low risk
C	30	50	Moderate Risk
D	1	29	High Risk

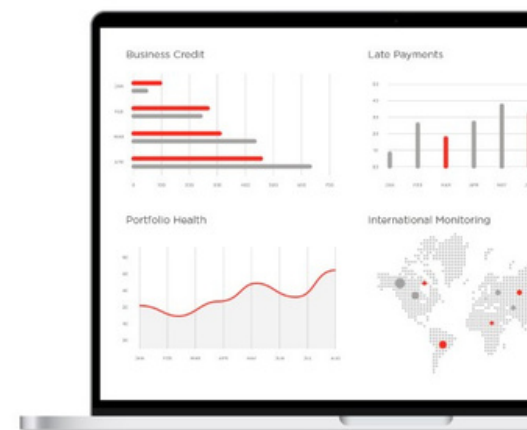
Why are there new scoring bandings?

The reason for doing so is that we want to create a certain uniformity, based on the international rating, in all Creditsafe entities where a new scorecard has been launched.

In both Germany, UK, Sweden, Netherlands and France, for example, the international D rating varies between their local 29–39 score. Similarly, we have a risk level of around 3% around the threshold between C and D in all new scorecards developed since 2018.

We understand the impact that trust can have on a company's growth. Whether it is the confidence to seize new opportunities or the confidence to reject opportunities that may harm your business in the long run. Therefore, we want to make sure that, on the one hand, there is more room for commercial opportunities and, on the other hand, that there is an even more accurate prediction of credit risks.

So, if today you are rejecting customers because they are below the local score of 59, with the new scale we offer more room for commercial negotiations.



An example of how the PoD will be included in the reports*.

Company ABC

Risk Score94PoD0.12%International ScoreACredit Limit€20KStatusActiveCourt DataNoSummonsNoProtested BillsNo

SummaryInformationAccountsScorePayment DataLinksLegal EventsDirectors

Score Summary

Today's score94Previous Score92

Today's PoD0.12%Previous PoDN/A

Score DefinitionThe Creditsafe Score works on a scale of 1-100 and predicts the likelihood that a business's payment performance will become seriously delinquent, defined as 90-plus days beyond terms within the next 12 months or that the business will go bankrupt.

Probability of Default DefinitionThe PoD describes the likelihood of a company becoming insolvent (bankruptcy, forced liquidation, etc.) within the next 12 months.

Credit Limit€20.000Credit Limit DefinitionThe Creditsafe recommended credit limit is calculated using information from a company's payment record and from the payment records of similar companies. The company credit limit is our recommendation of the total maximum amount of credit that should be outstanding at any one time.

International Score

Creditsafe International ScoreA

Score DescriptionVery Low Risk

Score DefinitionThe Creditsafe International Score is a standardized score derived from the Creditsafe score. It enables credit risk comparison between companies that are registered in different countries.

International Score

	Description	Score BE
A	Very Low Risk	71 - 100
B	Low Risk	51 - 70
C	Moderate Risk	30 - 50
D	High Risk	1 - 29

Commentary Score

} Commentary about changes over scoring goes here

Score & PoD History

Date	Score	Probability of Default	Description

Score Description

	Score	Description	Min / Max PoD range	Description
A	71 - 100	Very Good Credit Worthiness	0.01% - 0.24%	Very Low Risk
B	51 - 70	Credit Worthiness	0.24% - 0.83%	Low Risk
C	30 - 50	Credit Against Collateral	0.83% - 3.02%	Moderate Score
D	1 - 29	Caution - Credit At Your Discretion	3.02% - 99.99%	High Risk
	Not Rated	No Score		No Score

**draft example : this is not the final version and is subject to change*



What are the advantages of the new credit scorecards?

Our goal has always been helping companies changing the way they do business.

The updated scorecard reflects that, as there is more room for commercial opportunities on the one hand and an even more accurate prediction in credit risks, its associated PoD and business failures on the other hand.

Either way, the new scorecard enables your business to have an even better understanding about the risks you take.



Enhanced predictability

Our scores measure, with confidence, the probability of a company going bankrupt up to 12 months in advance.



Additional company data

Thousands of company data sources are combined and evaluated to provide an immediate and transparent credit score for each company.



More business opportunities

By enhancing the power of the credit scorecard, your business can benefit from being able to access more opportunities without increasing the credit risk.



Companies with limited data

We can assess companies more accurately based on limited information, so you can make confident decisions about whether to do business with them.

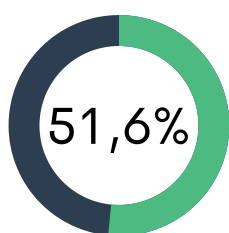
Companies Scoring Migration Matrix

As the Belgian scorecard will be renewed and modified, many companies within Belgium will receive a revised score, based on key risk indicators. Creditsafe is continuously working on perfecting its credit scores, using the latest knowledge in the field of statistical scoring methods, optimising and maximising the use of the ever-expanding database.

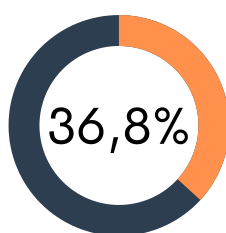
This improves the way companies are scored, enabling better and more predictive assessments of a growing number of companies. The essential concept behind Creditsafe's scoring approach is to accurately predict the behaviour of companies (in terms of their good/bad performance over the next 12 months) using a set of characteristics that clearly indicate why a company can be considered high or low risk.

A 'Migration Matrix' allows us to visualise in a single table the impact of the new score. Below a visualisation of the changes on the Belgian landscape (*):

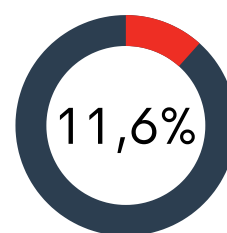
Percentage of companies according to their international scoring trend (Increased - Maintained - Decreased)



**companies
increased**



**companies
maintained**



**companies
decreased**



How to read this?

Out of the 1.7 million active Belgian companies, 51,56% of companies saw an increase of their international score category; 36,8% stayed in the same category; and 11,63% saw a decrease in their scoring category.

By change of risk category we mean, for example, a change from an international A rating to an international B rating.

By maintaining the international score, we mean staying in the same category.

Of course, it is possible that the local Belgian rating may have changed, for example from a 98 to a 95 score. According to the logic of this example, this company still belongs to the same international rating category (being an A international rating). In other words, in this example, there is no change.

*Data Accurate to date of April 1, 2022

NEW SCORE INDICATION

OLD SCORE INDICATION BASED ON NEW PoD INTERVAL	Migration Matrix for companies with filed accounts	A (71 - 100)	B (51 - 70)	C (30 - 50)	D (1 - 29)	Total
	96 - 100	65%	31%	3%	0%	100%
	83 - 95	62%	31%	7%	1%	100%
	58 - 82	35%	39%	20%	5%	100%
	01 - 57	3%	15%	28%	54%	100%

Interpretation of the migration matrix

The illustration above shows the change in risk score indication on the active Belgian business population, who are obliged to file annual accounts. A comparison is therefore shown here from the old score indication to the new score indication.

Such migration matrices illustrate the movements that the selected population makes between the different risk intervals (based on the PoD indicator), where the estimated risk of the two different score cards is considered and how the shift is represented.

What do we observe?

On the horizontal axis above, we see the new Belgian score indications that belong to the different international risk ratings from A to D. On the first vertical axis we see the old Belgian score indications related to the new PoD score intervals.

Based on the new scorecards, companies with a score between 71 - 100, belonging to the lowest risk, will have a maximum PoD of 0.24%. In order to find the corresponding risk level in the old scorecard, the companies could not have a score lower than 96 to belong to this indication or rating.

How to interpret the percentages?

By analysing the matrix row by row, you can form a better understanding of the movements the companies make from the old score indication to the new indication.

We use 3 different colors to show the effect of the change.

The grey color means that there is no change of risk class. The green color, which will always be to the left of the grey indication, means that there is a positive impact. The new scorecard indicates that these companies have a lower PoD percentage, giving them a lower risk rating. The red color, which will always be to the right of the grey indication, means that there is an increased risk compared to the old score. The new scorecard indicates that these companies obtain a higher PoD percentage, giving them a higher risk rating.



Let us continue with the above example and further interpret the first line*:

- 65% of the companies (filing annual accounts) that had at least a score of 96 in the old model remain in the highest (A) rating. In other words, this percentage remains in the same risk category, namely very low risk.
- 31% of the companies (that file annual accounts) that had at least a score of 96 in the old model now have a B rating. In other words, this percentage shifts to a new risk category, namely low risk.
- 3% of the companies (that file annual accounts) that had at least a score of 96 in the old model are now rated C. In other words, this percentage shifts to a new risk category, namely medium risk.
- 0% of companies (that file annual accounts) that had at least a score of 96 in the old model are now rated D. In other words, we do not see a shift from very low risk (in the old scorecard) to high risk (in the new scorecard).

Important note:

There is a very real chance that the local Belgian score has changed within the grey indications, for example from a 98 to a 95 score. If we respect the logic of this example, this company still belongs to the same international rating category, being an 'A' international rating. So there is no change in risk category even though the local Belgian score may have changed.

The new score indication result using the new PoD intervals.

Below is the complete overview of the new score indications based on the new PoD intervals, where we then compare them to the old scores based on the same new PoD score intervals.

In this way, we want to give you the best possible overview of the different risk classifications, as well as give you the opportunity to compare them with the old score classifications.

New Score band	New Score Interval	PoD Interval	Corresponding Old Score Band
A	71 - 100	0.00 - 0.24 %	96 - 100
B	51 - 70	0.24 % - 0.83 %	83 - 95
C	30 - 50	0.83 % - 3.02 %	58 - 82
D	01 - 29	3.02 % - 100 %	01 - 57

*Data Accurate to date of April 1, 2022



Frequently Asked Questions

What does the score predict?

Creditsafe's scorecard calculates the probability that a business will fail over the coming 12 month period. The calculation is converted into an easy to understand score between 1 (highest risk) to 100 (lowest risk). We consider a business below 30 to be high risk and therefore uncreditworthy, where as a business with a score above 51 would have a lower risk of failure

Creditsafe considers the following criteria to be the definition of failure:

- Initiation of bankruptcy proceedings with excusability
- Initiation of bankruptcy proceedings with inexcusability
- Initiation of bankruptcy proceedings
- Completion of bankruptcy proceedings with excusability
- Completion of bankruptcy proceedings with inexcusability
- Completion of bankruptcy proceedings
- Stay of proceedings (judicial reorganisation)
- Judicial winding-up or nullity

Why are Creditsafe changing its scorecards?

It is perfectly normal for Credit Reference Agencies to review and update their scorecards with changes in the economic climate and available data. As new information becomes available, we must seize the opportunity to utilise this data and improve predictability further.

We must also be vigilant in tracking marketplace trends and make sure that our predictive models are reflective of current developments. With constant changes to economic, social and political climates, some of the indicators that are predictive of failure today are likely to change in the years to come.

Creditsafe continually enhance our scorecards to reflect the current risk factors that have emerged within the local economies. Assessing the entire business population, we have refined and confirmed what indicators commonly hold for commercial stability, and what is predictive of a company heading into difficulty.

Are all companies scored with the same algorithm?

No, depending on the type of company, the size and the country, the algorithm is adjusted.

Do I need to do any changes in my system when you make the changes?

You will NOT need to make any changes to your Creditsafe account, app or API when the new scorecard is launched. All changes will be implemented automatically.

What happens when you launch the new Belgian scorecard?

You will NOT need to make any changes to your Creditsafe account, app or API when the new scorecard is launched. All changes will be implemented automatically.

We will be switching off Score Change Alerts within Risk Tracker and Monitoring for the day of launch to prevent a disruptive number of alerts being emailed to customers. However you may export a list of portfolio changes, including score changes, from your Monitoring account on the day following the scorecard launch.

Why has my credit score (and limit) and those of my customers and suppliers changed?

At Creditsafe we are fortunate to have an extensive and ever growing database of up-to-date company information. As we expand and increase the wealth of data we hold, we must evaluate whether this new data contains information that is indicative of company stability or future insolvency. We must also re-validate whether previous indicators in existing data remain true. In both cases, it is likely that additions and adjustments to the scorecard will be needed to ensure high predictability.

Therefore, when a new scorecard is amended, there will inevitably be some shifts in the business credit score and the recommended credit limits. We should also not forget that the probability of default has become an important and compelling element in the updated scorecard, resulting in a new score indication for many companies.

What is the difference between the old and new scorecard?

There are a number of differences between the old and new scorecard. All changes have been made to improve the accuracy of its scores so that they provide true representation of the risk associated with a business.

It is crucial that our scorecard is accurately calculating the likelihood of company default based on current market conditions. Therefore, when developing the new scorecard, Creditsafe used the most up-to-date business information available. Naturally as the economy and market conditions change from one year to the next, the calculations behind the score must be adjusted for the score to remain highly predictive.

With deeper business segmentation we have achieved a more representative distribution of business across the different risk bandings. Businesses classified as low risk within our Belgian Scorecard, on the whole, have a lower probability of default than the previous scorecard. Similarly, the high risk segment of the population with a score below 30 have a slightly higher probability of default overall. This has been implanted to give a true reflection of high risk scenarios, so as to prevent stifling your business by dismissing opportunities for growth.

Please refer to our Probability of Default table for a full representation of risk across the scores.

How often do you change scorecards? When will you change next time?

At Creditsafe, scorecard updates are not performed according to a schedule or set time period.

Rather, the Creditsafe Scorecards are continually monitored to understand the performance of the scorecards over time. As new economic changes and trends emerge, these inevitably cause slight shifts in what factors are most indicative of company failure and stability. Our Scorecard monitoring allows us to measure these shifts, and determine whether the predictability of our scores remains over an acceptable threshold.

If and when the predictability of a scorecard begins to deteriorate, we make it our priority to reevaluate the data we hold, the variables we measure and the weightings we apply to each variable. With the development of Creditsafe's even more robust scorecards, we have strengthened our ability to thoroughly assess the predictability of variables over time and adapt the model as and when needed, in line with economic changes.

Any other questions, comments or concerns?

We are here to support you with any questions you may have during this period and have set up a number of online and offline resources to help.

Scorecard Webpage

You can find details of our scorecard along with any new announcements and resources on our dedicated webpage: <https://www.creditsafe.com/be/en/risk-and-credit-management/credit-check/credit-reports/credit-scorecards/credit-scorecards-belgium.html>

Here, you can as well navigate to the FAQ section to view the most frequently asked questions and answers

Business Support

You can also reach out to our Customer Success Team to ask an individual question directly. Our team is available from Monday – Friday 9am – 5pm via phone, email or online.



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Monitoring customers

For customers who are monitoring large numbers of companies in Belgium, we can provide you with a report detailing their old scores, new scores and any credit limit changes. Please contact your account manager if your portfolio is suitable for such an analysis.*

Please be aware that all scores are subject to change by the launch date. The score shared with you will be accurate as of the date requested and the businesses' circumstance at that time.

Book a consultation with a Creditsafe expert

A scorecard change can impact every business differently and we are on hand to help you navigate any adjustments.

Our Account Managers are happy to provide additional resources and information.

If you foresee a large impact on your business, it may be possible to arrange an on-site visit.

Book a call or consultation with your account manager on +32 2 481 88 60 to find out more about the services we offer.



**Note: Not all portfolios are able to meet the necessary requirements for a detailed screening. Please contact your account manager or contact person for the necessary information regarding the requirements.*

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