



A MESSAGE FROM THE PRESIDENT

Third quarter saw the addition of new clients both domestically and internationally. In the U.S. we secured a lender in the alternative financial services sector with locations in the Southeast. In Argentina we secured contracts with a finance house and one of the largest financial institutions. In Turkey we closed a deal with ING Bank A.S. one of 26 Principal Subsidiaries of ING Bank N.V.

GDS continues on pace for its best year as it relates to the number of new clients. We are forecasting that several deals will close during the fourth quarter. In the U.S., we continue to see growth in start-ups and increased lending activity by organizations filling the voids created by traditional banks in both the area of consumer and business lending. We expect this trend to continue in 2014 and hope to leverage the positive traction we have made in these areas in 2013.

-Paul Greenwood, GDS Link President & Co-founder

GDS CASECenter Management ENHANCEMENTS

CASECenter 1.3.0 will be released in the 4th quarter and includes several enhancements to the display and management of queues as well as additional features to give our customers peace of mind their data is safe guarded.

In relation to queues, 1.3.0 will facilitate expanded data relationship allowing for the support of more flexible use case. For example we have added a new parent/child feature that will allow you to more easily associate a customer with multiple relationships with a line of business. This enhancement will allow you to see these relationships, for customers who may be associated with one to many cases, visually through an intuitive user interface.

The new encryption feature allows business users with the right privileges to define fields that should be encrypted. CASE Center will automatically encrypt and decrypt them on the fly. This feature provides more robust support for safeguarding personal identifiable information (PII) as well as PCI type information.

GDS personnel will be reaching out to current users of Case Center to discuss these enhancements. Full release notes are available upon request.

THIRD QUARTER HIGHLIGHTS

News From Latin America

GDS Argentina secured two new clients in the third quarter. The first deal is with a finance house to implement GDS' hosted workflow and decision solution including document-ation scanning, multiple credit bureau access and auto-mated mobile number validation via SMS code.

The second deal is with one of the largest banks in Argentina to implement CASECenter for the workflow management automation of official letters sent by the Court, the Central Bank or the Tax Authority.

News From GDS Eurasia

GDS Eurasia entered into an agreement with ING Bank A.S, Istanbul Turkey, for a license of GDS' Decision Engine. ING Bank A.S. is one of 26 Principal Subsidiaries of ING Bank N.V.

Under the agreement, ING Bank A.S. will utilize GDS' Decision Engine in its application processing function for its consumer loans, credit cards and small and medium enterprise (SME) portfolios. In addition the solution will be used in support of customer management activities including the implementation of behavior scores.

UPCOMING EVENTS

October 30th

GDS UK will be exhibiting at the British Cheque Cashers Association (BCCA) conference at the Midland Hotel in

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For questions, suggestions, or any additional information, contact us via: info@qdslink.com.



EVENT HIGHLIGHTS

October 16th - 18th

GDS will be attending the [OLA Leadership and Innovation Fall Conference](#) in San Diego, CA. Rich Alterman participated in a panel discussion on Portfolio Analytics.

September 24th - 26th

GDS attended ID Analytics' seminar entitled [A Dynamic Dialogue for Credit and](#)

Manchester.

November 5th - 7th

GDS will be exhibiting at the BAI Retail Delivery conference in Denver, CO

[Identity Risk Executives](#) in San Diego, CA.

September 10th

GDS Latin America sponsored and presented at the [National Credit and Collection Conference](#) Chile and Regional Latin America in Chile.

August 27th

GDS Latin America sponsored and presented at the [National Credit and Collection Conference](#) held in Argentina.

August 8th - 9th

Brian Hachez, Managing Partner - GDS Asia was a featured speaker at the [4th Six Sigma and Process Improvement Conference](#) in Makati City, Philippines. He spoke on Data-Driven Process Excellence: Leveraging Big Data, Analytics, Predictive Modeling and BPM to Optimize Results.

PARTNER SPOTLIGHT



LexisNexis Risk Solutions brings clarity to information to help our customers reach essential insights and make the right decisions. We partner with industry and government to help our customers confidently predict, assess and manage risk while upholding the highest standards for security and privacy.

LexisNexis **RiskView** Solutions are the premier alternative risk tools in the credit risk management industry today and the only alternative data credit risk assessment solution endorsed by the American Bankers Association through its subsidiary the Corporation for American Banking. The ability to improve lending decisions with RiskView solutions just got even better with the latest release of RiskView Scores, RiskView Attributes and RiskView Reports. These significant improvements help lenders book more accounts without increasing their losses by better identifying credit-worthy applicants.

RiskView helps lenders accurately assess creditworthiness, predict consumer behavior and make more informed decisions.

RiskView provides attributes to help score and assess 40 million under-banked U.S. consumers

Lead Integrity Attributes are designed to help lenders with customer acquisition activities by equipping them with insights to identify prospects who pose a high fraud or institutional risk (legal and regulatory) prior to assigning marketing resources to inviting such prospects to apply for services.

Lead Integrity helps lenders avoid costs associated with marketing to and processing applications to high risk prospects, enabling lenders to spend less money of marketing without impacting the number of successfully booked accounts.

LexisNexis Instant ID enables our customers to reduce risk and maximize opportunity by validating and authenticating identities with more confidence decreasing the downstream effects of online credit card fraud, anti-money laundering, insurance and entitlements fraud.

GDS Industry News

Credit Risks Associated With Younger Borrowers

Numerous financial obstacles face younger Americans today. The unchecked growth of student loan burdens, the lingering sluggishness in the job market, the seemingly longer-term commitment for payback on student loans and rising interest rates heighten the risk associated with lending funds toward large dollar purchases. Consequently, mortgage originators and financial institutions have a compelling need to incorporate relevant factors into their credit risk modeling systems in a way that will provide a balance between avoiding the pitfalls facing these younger Americans and supporting their hope of securing their American dream.

Student Loan Debts Growing at 'Disconcerting' Pace

A report released in the second quarter by Kroll Bond Ratings noted that student loans have become the largest component of non-mortgage and home equity debt, accounting for almost \$1 billion worth of obligations. Kroll's analysts explained that they view the ongoing increase in outstanding student loan debt as particularly "disconcerting in light of the elevated unemployment levels for younger age groups."

In a recent interview with HousingWire, Mark Palim, vice president for applied economics and housing

research at Fannie Mae, said he believes the mortgage finance industry needs to focus on promoting "sustainable homeownership."

"Someone who doesn't have a job and has a lot of student debt shouldn't be buying a home," Palim said, conceding that adherence to this basic standard would exclude many younger Americans from being considered for mortgage loans.

Risks Exacerbated by Tough Job Market

At the same time that they are struggling to repay large outstanding student loans, young Americans are also finding it increasingly difficult to secure new opportunities in the job market. This is making it virtually impossible for some individuals to make timely payments on their debts, which could affect their creditworthiness over the long term.

A recent report from the Bureau of Labor Statistics showed that the employment rate for young adults between 25 and 34 years old dropped to a 12-month low - 74.8 percent - in August. Although this represents a slight improvement compared to the figures reported during the recession, the current rate is still far below normal levels.

Palim noted that one of the most significant obstacles facing younger workers today is that many older adults are simply "not leaving the labor force," which limits the number of opportunities available to those with less work experience. In turn, these individuals may have a harder time finding gainful employment in the future, as their development of the necessary skills and credentials will be set back.

This trend makes extending credit to younger applicants even more risky, as their incomes may take longer to grow, even as the economic recovery continues to gain strength. Furthermore, the bleak employment outlook facing today's youth will make it harder for those with existing debt burdens to improve their financial situation to the point that new loans can be responsibly secured.

Recent research also shows that more Americans who borrowed large amounts of money to pay for college are carrying their loans long after graduation. According to the Federal Reserve Bank of New York, the amount of outstanding student loan debt attributable to Americans between 50 to 59 years old was \$112 billion at the end of 2012. That was a huge jump from 2005, when the total was only \$34 billion. During that time period, both the number of older Americans carrying student loans and the average amount owed per person increased dramatically.

In an interview with USA Today, credit counselor Melissa Towell explained that many of her clients have abandoned all hope of being able to completely repay their student loans during their lifetime.

"A lot of them just say, 'I'm going to die before I pay this off,'" Towell said.

This is indicative of a broader trend: borrowers seem to be increasingly willing to take on debt obligations that they are not sure they will ever be able to repay. What that means for lenders is that the onus is on them to determine whether prospective borrowers will have the ability to make timely payments and meet all of their commitments.

Rising Interest Rates and Home Prices Create Additional Risk

As Americans continue to be squeezed by large student loan debts and a sluggish job market, rising property values and interest rates will increase the risk facing mortgage originators and other financial institutions as they process applications from younger borrowers.

Increasing home values can be advantageous for mortgage recipients, as this may enable them to put their property on the market at a price that won't leave them "underwater" - owing more than their house is worth. However, rising prices also mean that those applying for new mortgages will need to borrow more money to get the type of house they want. Furthermore, with interest rates rising, new borrowers will need to come up with more money each month to meet repayment schedules. These factors make it more likely that younger borrowers will be unable to meet their obligations.

Sources

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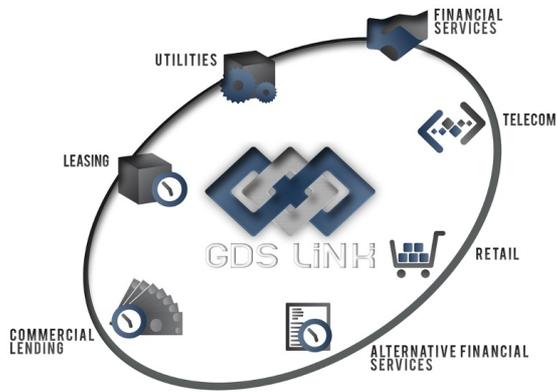
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WHO WE ARE & WHAT WE DO

GDS Link, LLC is a global provider of Risk Management Solutions and Consulting Services for multiple verticals within the financial services industry including: **credit card**, **auto**, **alternative financial services**, **commercial leasing**, and **specialty lending**.



Our offerings are also utilized in *the retail, utilities and the telecommunications sectors*. Our industry leading solutions can support financial institutions throughout an entire credit lifecycle, from their credit initiation services through collections and recovery.

Our core offering, **DataView360**, as well as add-on solutions can be used for *process automation, application processing, decisioning, portfolio review, optimization, scorecard model development, implementation, and monitoring*.

GDS Link has a global staff comprised of individuals with a wide range of credit experience, having worked for multiple financial institutions, software companies and data bureaus.

For more information, please visit us at: www.gdslink.com

