



CEMCA

Commonwealth Educational Media Centre for Asia

**European Union (EU) Switch Asia "Bamboo4SD"
Financial and Business Literacy Campaign**

व्यवसाय एवं वित्तीय शिक्षण अभियान

In collaboration with



sidbi

CBS





Credit Rating

What & How to Maintain the Rating



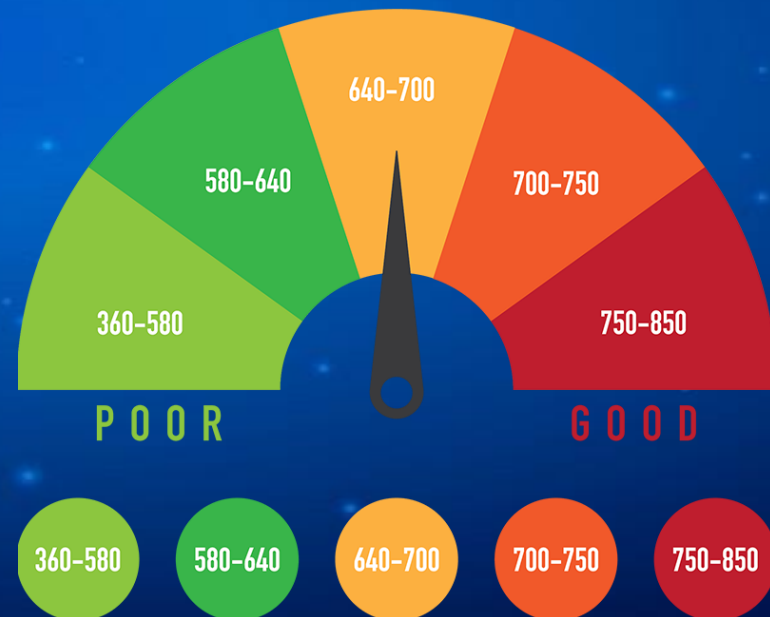


OBJECTIVE

**To be able to adopt good practices
to maintain a good credit rating**

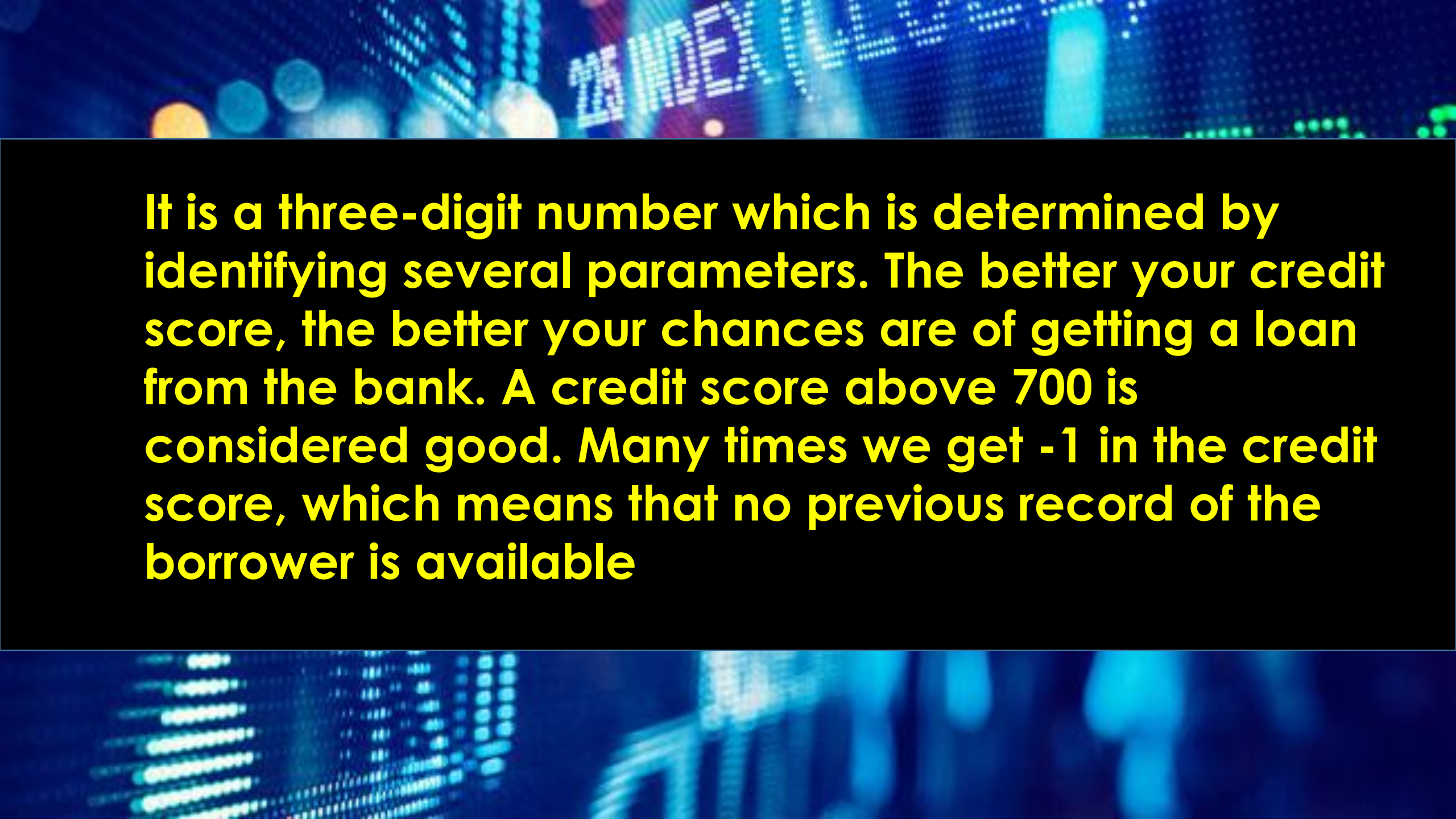


What is Credit Rating?



Credit rating is an assessment done by a credit rating agency to know how strong and disciplined a person financially is?





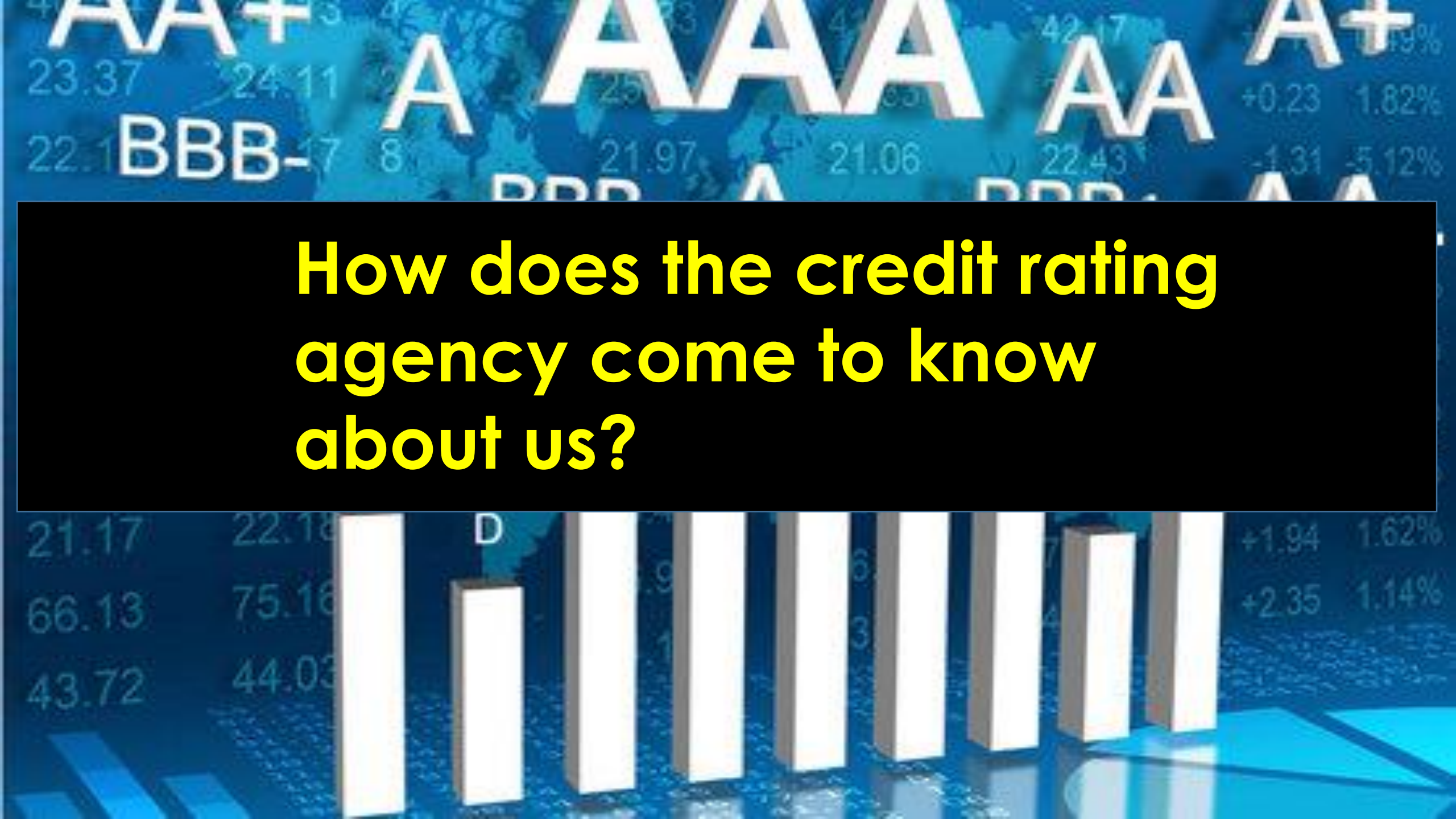
It is a three-digit number which is determined by identifying several parameters. The better your credit score, the better your chances are of getting a loan from the bank. A credit score above 700 is considered good. Many times we get -1 in the credit score, which means that no previous record of the borrower is available



Credit Rating Agency

An agency that keeps your credit records and analyse the questions like:

- **the borrower have the capacity to repay debt?**
- **whether you are already a borrower or not.**
- **Did you return the loan on time or not?**
- **Is your financial transaction correct and disciplined?**

The background features a blue-toned world map with various credit ratings and financial data points overlaid. Ratings include AA+, AAA, AA, A, BBB-, and D. Financial data includes percentages like +1.49%, +0.23, -1.82%, -5.12%, +1.62%, and +1.14%, along with numerical values such as 23.37, 24.11, 25.33, 21.97, 21.06, 22.43, 21.17, 22.18, 66.13, 75.16, 44.03, 43.72, 21.97, 21.06, 22.43, 21.17, 22.18, 66.13, 75.16, 44.03, 43.72, +1.94, and +2.35. A 3D bar chart with white bars is visible at the bottom, and a blue arrow points upwards in the bottom left corner.

How does the credit rating agency come to know about us?

LOANS

- All banks and non-banking institutions in the country share loans taken by their customers or other transactions with a credit rating agency called CIBIL.
- These institutions have a database which contains information about all types of loans and its monthly instalments and repayments structure. It also has details about the application for new loan and its approval.
- And this information becomes the basis of your CIBIL score, call it credit rating.

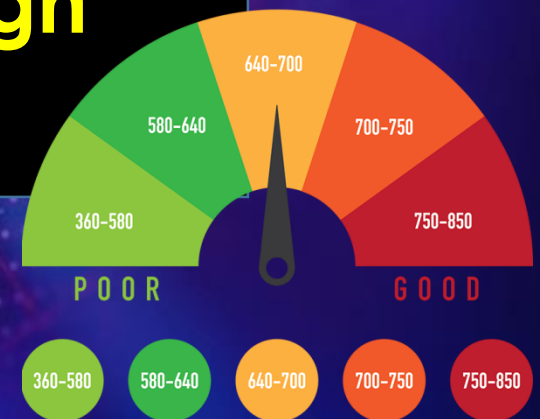


What role does the CIBIL score plays in the loan application process?



The CIBIL score plays an important role in the loan application process. Whenever we apply for a loan, the lending bank first checks the credit score and credit report of the applicant.

If the credit score is low then the chances of getting loan are less. If the credit score is high then the chances of getting loan are high.



**How can we keep
the credit rating
good?**





- **By paying the monthly instalment of your loan on time.**
- **By Making timely payments in other bank transactions also.**
- **Do not apply for loans in multiple banks altogether.**



How do I know my credit rating?





www.cibil.com

Any
Questions?





Thank you!

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