Changing Dynamics of Risk Management Information - Commercial Market

BIIA Biennial Conference

October 2019
**S&P Global**  
**Market Intelligence**

Our unique vantage point enables us to deliver the most relevant and high quality business and financial data to help clients make better decisions with conviction.

**Solutions:**
- Actionable Data
- Sector Intelligence
- Analytics
- Research

**Billions**
- of market data points covering 99%+ of global stock market capitalization

**145k+**
- Automated data quality checks

**97%**
- Client satisfaction rating for our 24/7/365 support
The Small and Medium Enterprises universe includes many different constituencies with varying degrees of transparency

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<thead>
<tr>
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<th>US</th>
<th>Western Europe</th>
<th>Developing Markets</th>
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<td>Public</td>
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The forgotten middle
Private companies present challenges across many business cases

**Significant Challenges**

- Global scale
  - 100+ million companies
  - Multiple segments/personas
  - Profile, people, structure, fundamentals and alternative data
- Data availability
- Timeliness
- Quality
- Multiple use cases

**Use Cases**

- Requirements vary by segment/persona
  - Supply chain
    - Global coverage, all company sizes
  - Commercial banking
    - Regional coverage, all company sizes
  - Private Equity / Venture Capital
    - Industry specific, ‘mid’ size or growth companies with specific data requirements (valuation, funding)
Different data and model approaches present benefits and challenges

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Alternative</th>
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<tr>
<td><strong>Data</strong></td>
<td><strong>Models</strong></td>
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<tr>
<td>- Well understood</td>
<td>- Well known</td>
</tr>
<tr>
<td>- Global</td>
<td>- Accepted</td>
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<tr>
<td>- Low coverage</td>
<td>- Sub-optimal</td>
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<tr>
<td>- Fragmented</td>
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<tr>
<td>- Stale</td>
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<td>- Lower quality</td>
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</table>
New technologies can help process unstructured documents and generate insights from text …
... or from tables to models ...
... Or from voice to sentiment

**Step 1**

**Step 2**

**Step 3**

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**Question and Answer**

Michael Steven Plascik
Executive VP of Accounting & Corporate Strategy and CFO

Looks like my to-do list.

Jeremy Edward Campbell
Barclays Bank PLC, Research Division

Well, there you go. That's all of that, all of the above...

Michael Steven Plascik
Executive VP of Accounting & Corporate Strategy and CFO

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**Sentiment-Based**

- Level
- Changes in level
- Change in trend

**Behavioral-Based**

- Language complexity
- Concreteness
- Analyst favoritism

Source: S&P Global Market Intelligence

For illustrative purposes only
Summary

• New approaches are helpful but not the panacea
• The challenge is still mostly about the data
• There are specific areas of added value
• Users need to clearly define the business problem
• Evolution, not revolution … yet