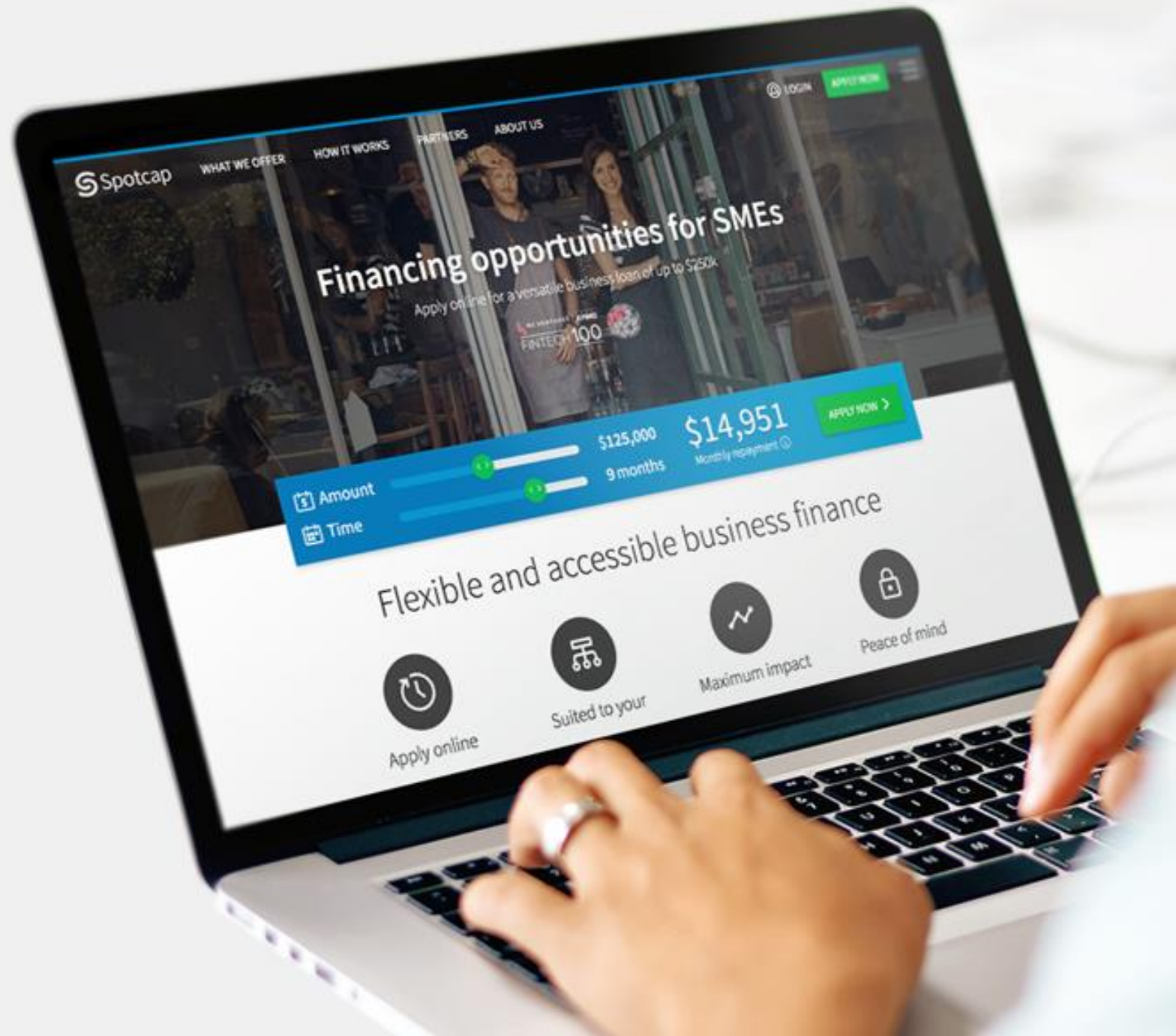




SME Credit Risk Management

November 2017

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Big Data? No, Useful Information

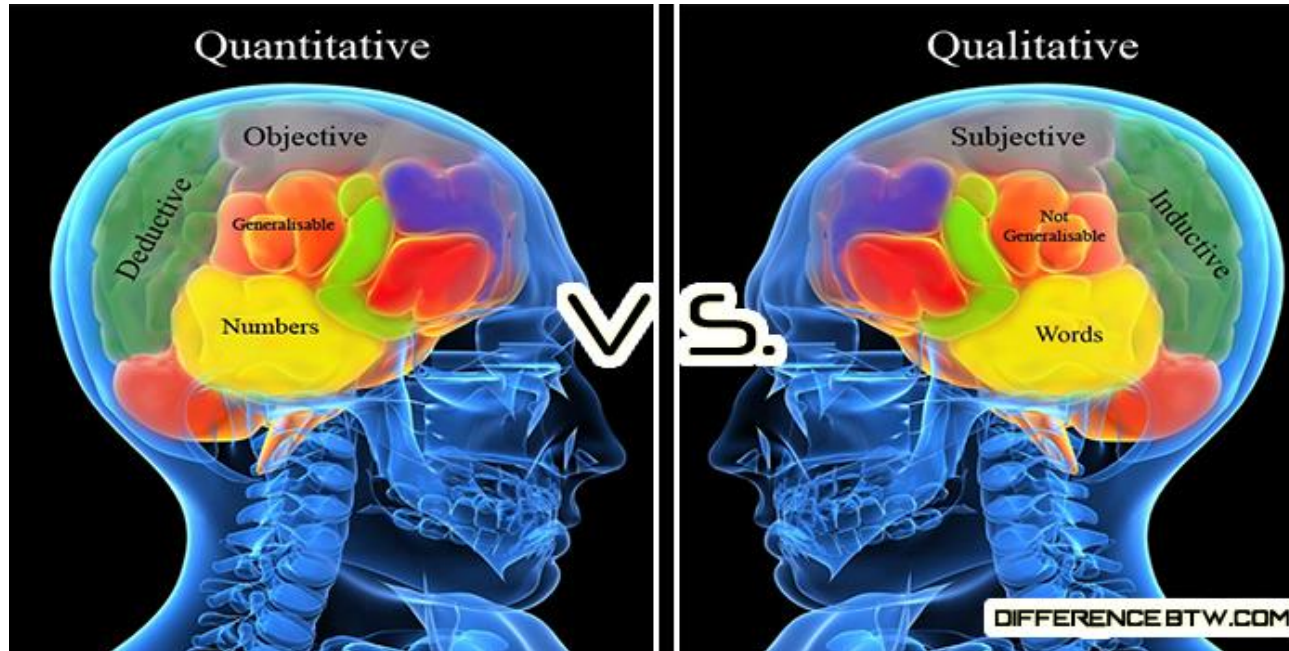
Many data sources are available in today's 'Digital World':

- KYC - first and foremost
- Where do you start (Evolution)?
 - Expert system
 - Rules engine
 - Quantitative models
- Balancing energy and results
- Build a simple data laboratory
 - Know the data (Expertise)
 - Exploratory data analysis
 - Simple models to determine value
- Move the value to production
- Explore the remaining
- Cut and run
- Results, Results, Results
 - Monitor the portfolio
 - Track the models
 - Score & attribute migration



- Fact based
- Fixed, measurable
- Numeric in design

- Credit reports
- Financial reports
- Accounting software
- Tax Data / Interims
- Bank account
- Monetary data



- Understanding based
- Human behaviour
- Text, written word
- Photo, sound

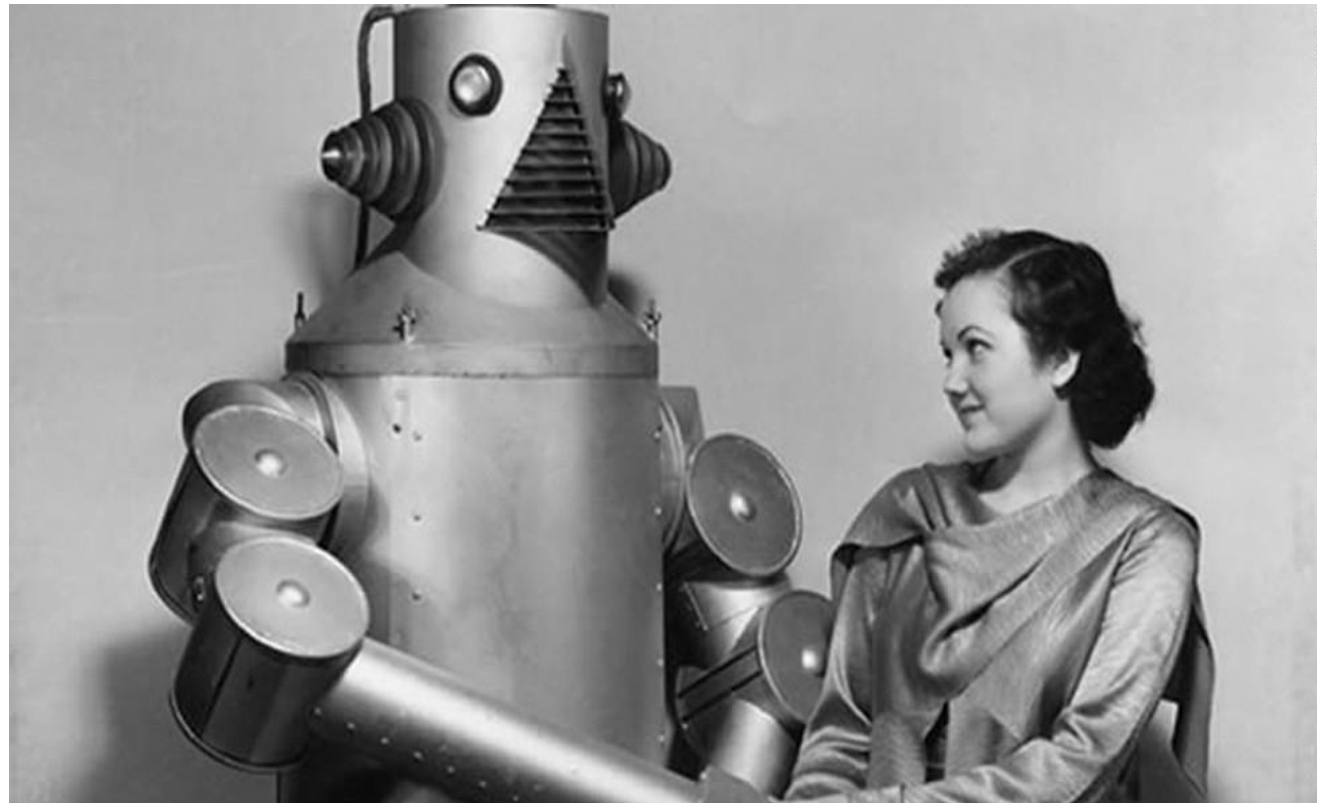
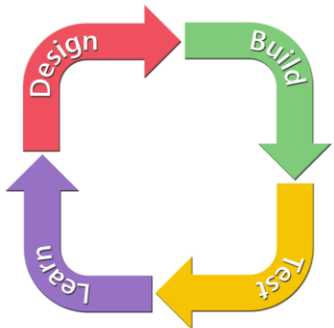
- Annual report written sections
- Adverse media
- Bank account transaction level text
- Questionnaires (In App)



Unstructured to Structured

Automation

- Data Depth and Breadth
- Sufficient to Make Sound Risk Decision
- Size of Transaction
- Quality of Business
- Size / Quality Interaction
- Unsecured Loans



Human interaction

- More involved transactions
- Size of transaction
- Company type - holding / subsidiaries
- Market / economic attributes
- Human expertise
- Security Interest
- Machine based pre-decisions
- Machine based conditions to clear
- Override controls
- Enable your team