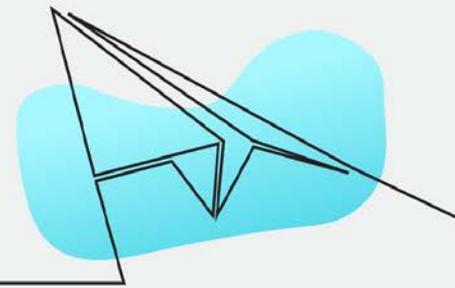




Default Risk Predictor

Using artificial intelligence to help you manage default risk



Harness the power of artificial intelligence and machine learning to protect your exposure from default risk and gain an edge on the competition.

Novel problems demand novel solutions

As the full impact of the COVID-19 crisis unfolds, some sectors are facing unprecedented strain and many companies are fighting for their survival. The situation is changing daily and the market has never been more volatile.

However, the current risk models at your disposal rely too much on intuition and traditional methodologies that offer limited visibility into future market conditions. And yet, it's your job to predict the winners and the losers – and there is no such thing as a crystal ball.

Unlock the power of machine learning

KPMG has built a customized machine learning prediction solution to provide an early indicator of financial default risk. This solution can empower you with the market intelligence you need to stay ahead of a default and your competition.

KPMG's Default Risk Predictor constantly learns from both historical and new data to help predict default risk probability for several publicly traded companies in Canada and the U.S.

A range of potential applications

The Default Risk Predictor leverages state-of-the-art machine learning to offer decision makers visibility into the probability of default. These insights can be used to **inform investment strategies, alert potential risks** and **guide decision making**.

Probability of default is a particularly important metric to guide decisions around credit instruments. This solution will benefit the following professionals:

- Credit risk professionals
- Bonds and loans portfolio managers
- Credit risk derivatives professionals
- Counterparty risk professionals
- Risk managers

Risk prediction

Through specialized validation and explanation, our solution makes insights actionable. It finds relevant predictive signals across a range of data sources and applies a complex mix of AI and machine learning algorithms to create outputs that are used as part of a larger portfolio strategy.

As with any investment evaluation, your decision makers will be armed with extra knowledge to make the right decision for your portfolio.

How you can get started

Our Default Risk Predictor service is broad and flexible. It is centered on three offerings which can be customized based on your specific need:

- **Monitoring a portfolio:** Provides your team with the default risk probability for each company at the portfolio level, complemented with industry metrics.
- **Industry-based monitoring:** Provides your team with the default risk probability within an industry allowing you to clearly compare companies in the same category.
- **Monitoring specific companies:** Provides your team with the default risk probability for a selected list of companies (usually 10-25) and provides an easy way for your team to identify companies that are most at risk of default.

Contact us

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