

Creditor Relations Tagung

Tobias Mock, S&P Global Ratings

Rating 4.0: Welche Rolle spielt die Digitalisierung im Ratingprozess?

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Agenda

- 1** Rating und Ratings Prozess
- 2** Überblick Methodologie für Unternehmensratings
- 3** Ratings 4.0

Rating und Ratingsprozess

Die Rolle von Ratings im Finanz- und Kapitalmarkt



Ratings reduzieren Informationsasymmetrien, schaffen Transparenz und bauen somit eine Brücke zwischen Investoren und Unternehmen



Mehr Informationen ermöglichen eine bessere Preisdifferenzierung und somit eine effektivere Allokation von Kapital sowie ein besseres Funktionieren von Märkten => Beispiel: Akerlof's "Creampuffs" and "Lemons"



Ratings unterstützen Investitionen und Wachstum der Unternehmen



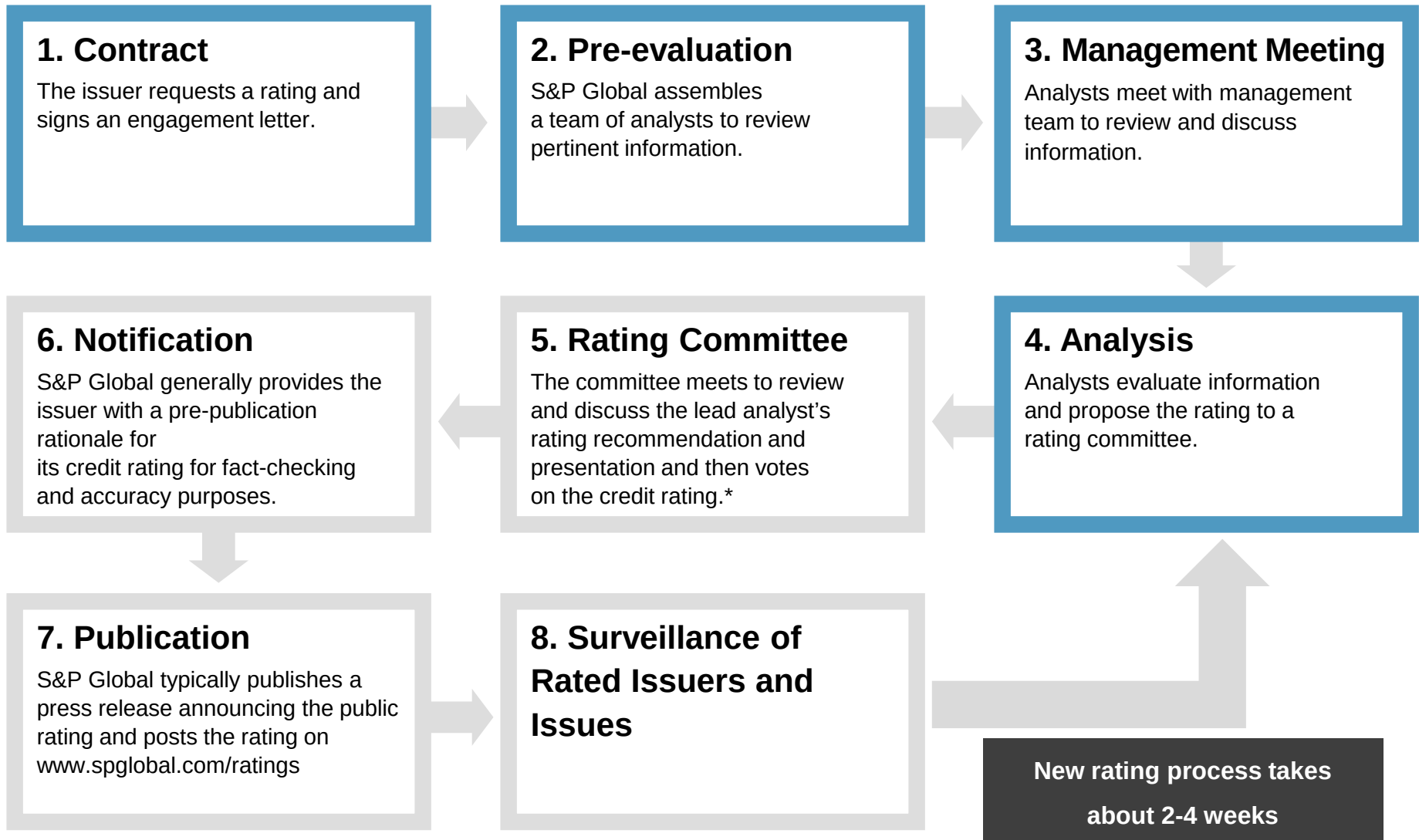
Unabhängige Analyse von Risikofaktoren für Unternehmensführer und Eigentümer mit Einstufung auf einer globalen Benchmark

S&P Global Ratings sind eine Meinung

“S&P Global Ratings drücken unsere Meinung zur Fähigkeit oder Bereitschaft eines Schuldners aus, seinen Zahlungsverpflichtungen vollständig und pünktlich nachzukommen. Ratings sind Meinungen und ein relatives Maß zu Kreditrisiken.“

Ratings können ebenfalls eine Aussage über die Kreditqualität einzelner Schuldverschreibungen (z.B. eine Firmenanleihe) und die relative Wahrscheinlichkeit einer Zahlungsstörung dieses Wertpapiers treffen.

Der Ratingprozess



*S&P Global may allow for an appeal only if the issuer can provide new and significant information to support a potentially difficult rating conclusion.

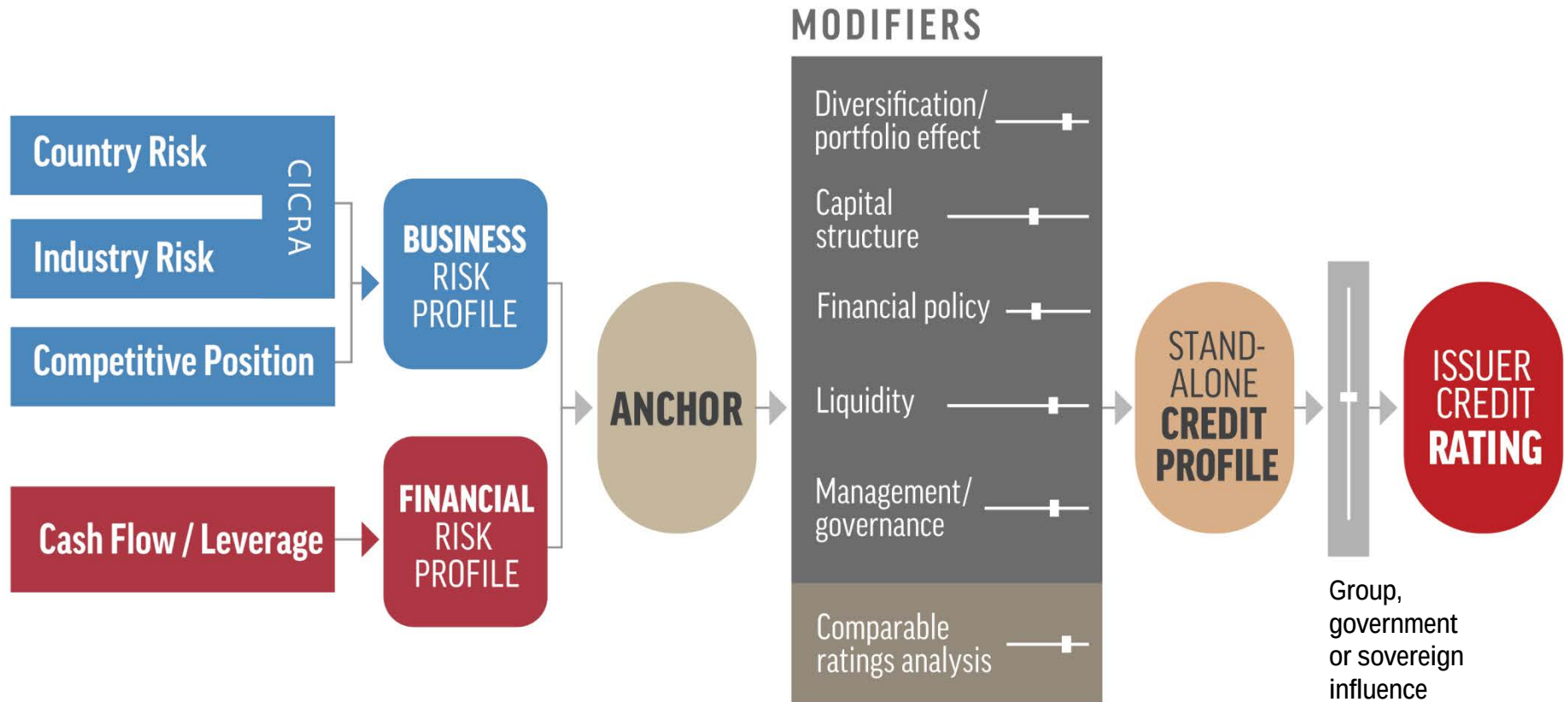
Überblick Methodologie für Unternehmensratings

S&P Global Ratingsmethodologie für Unternehmen

Greater
TRANSPARENCY

Enhanced
GLOBAL COMPARABILITY

Maintains
ANALYTICAL JUDGMENT



Geschäftsrisikoprofil: Kombination von Wettbewerbsposition, Industrie- & Länderrisiko – Beispiele



CICRA

		--Länderrisiko--					
							
Industrierisiko		1	2	3	4	5	6
Very low (1)		1	1	1	2	4	5
Low (2)		2	2	2	3	4	5
Intermediate (3)		3	3	3	3	4	6
Moderately high (4)		4	4	4	4	5	6
High (5)		5	5	5	5	5	6
Very high (6)		6	6	6	6	6	6

1. Beispiele Industrierisiko

Retail restaurants
Pharmaceuticals
Engineering and Constructing
Transportation Cyclical
Regulated utilities



2. Beispiele Länderrisiko

Frankreich
Deutschland
Indien
Russland
Pakistan
Spanien



(*) scores according to Publication „S&P Global Ratings assigns industry risk assessments to 38 nonfinancial corporate industries“, published on November 20th 2013

Geschäftsrisikoprofil: Kombination von Wettbewerbsposition, Industrie- & Länderrisiko – Beispiele



1. Beispiele Wettbewerbsposition

Löwenplay GmbH



Tui AG



Daimler AG



Wal-Mart Stores Inc.



Bertelsmann SE & Co. KGaA



2. Beispiele CICRA

JB Hunt Transport Service Inc.



Wal-Mart Stores Inc.



Douglas GmbH



Rosneft OJSC



Open Grid Europe Group



Business Risk Profile

	--CICRA--					
						
Wettbewerbsposition	1	2	3	4	5	6
Excellent (1)	 1	1	1	2	3	5
Strong (2)	 1	2	2	3	4	5
Satisfactory (3)	 2	3	3	3	4	6
Fair (4)	 3	4	4	4	5	6
Weak (5)	 4	5	5	5	5	6
Vulnerable (6)	 5	6	6	6	6	6

*Business risk profile assessments: 1 (excellent), 2 (strong), 3 (satisfactory), 4 (fair), 5 (weak), 6 (vulnerable)

**See: 'Corporate Methodology', Nov. 19, 2013;

(*) scores according to Publication „S&P Global assigns industry risk assessments to 38 nonfinancial corporate industries“, published on November 20th 2013

Cash Flow/Leverage (CFL)



Core Ratios

FFO/Debt
Debt/EBITDA

FFO Definition

EBITDA minus Nettozinsaufwand, minus laufende Steuerausgaben, adjustiert nach S&P Global Methodologie

EBITDA Definition

Umsatz minus Betriebsaufwand plus Abschreibungen und Amortisierung adjustiert nach S&P Global Methodologie

Supplemental Ratios

Falls der vorläufig ermittelte Wert “Intermediate” oder besser ist :

- CFO/Debt
- FOCF/Debt
- DCF/Debt

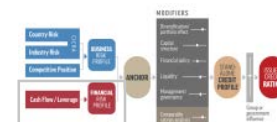
Falls der vorläufig ermittelte Wert “Significant” oder schlechter ist :

- EBITDA/Interest
- (FFO + Interest)/
Cash Interest

Industry Key Credit Factor commentaries may identify additional supplemental ratio(s)

Die Analyse der Supplemental Ratios kann den vorläufig ermittelten Wert **BESTÄTIGEN** oder **VERÄNDERN**.

Cash Flow/Leverage (CFL)



Cash Flow/Leverage Analysis Ratios--Standard Volatility

	--Core ratios--		--Supplementary coverage ratios--		--Supplementary payback ratios--		
	FFO/debt (%)	Debt/EBITDA (x)	FFO/cash interest(x)	EBITDA/interest (x)	CFO/debt (%)	FOCF/debt (%)	DCF/debt (%)
Minimal	60+	Less than 1.5	More than 13	More than 15	More than 50	40+	25+
Modest	45-60	1.5-2	9-13	10-15	35-50	25-40	15-25
Intermediate	30-45	2-3	6-9	6-10	25-35	15-25	10-15
Significant	20-30	3-4	4-6	3-6	15-25	10-15	5-10
Aggressive	12-20	4-5	2-4	2-3	10-15	5-10	2-5
Highly leveraged	Less than 12	Greater than 5	Less than 2	Less than 2	Less than 10	Less than 5	Less than 2

FFO - Funds From Operations, approx. equals (EBITDA – Interest Expense – Current Tax Expense).

CFO - Cash Flow From Operations.

FOCF - Free Operating Cash Flow, equals (CFO – Capital Expenditures).

DCF - Discretionary Cash Flow, equals (FOCF – Dividends).

Bestimmung des Anker Ratings



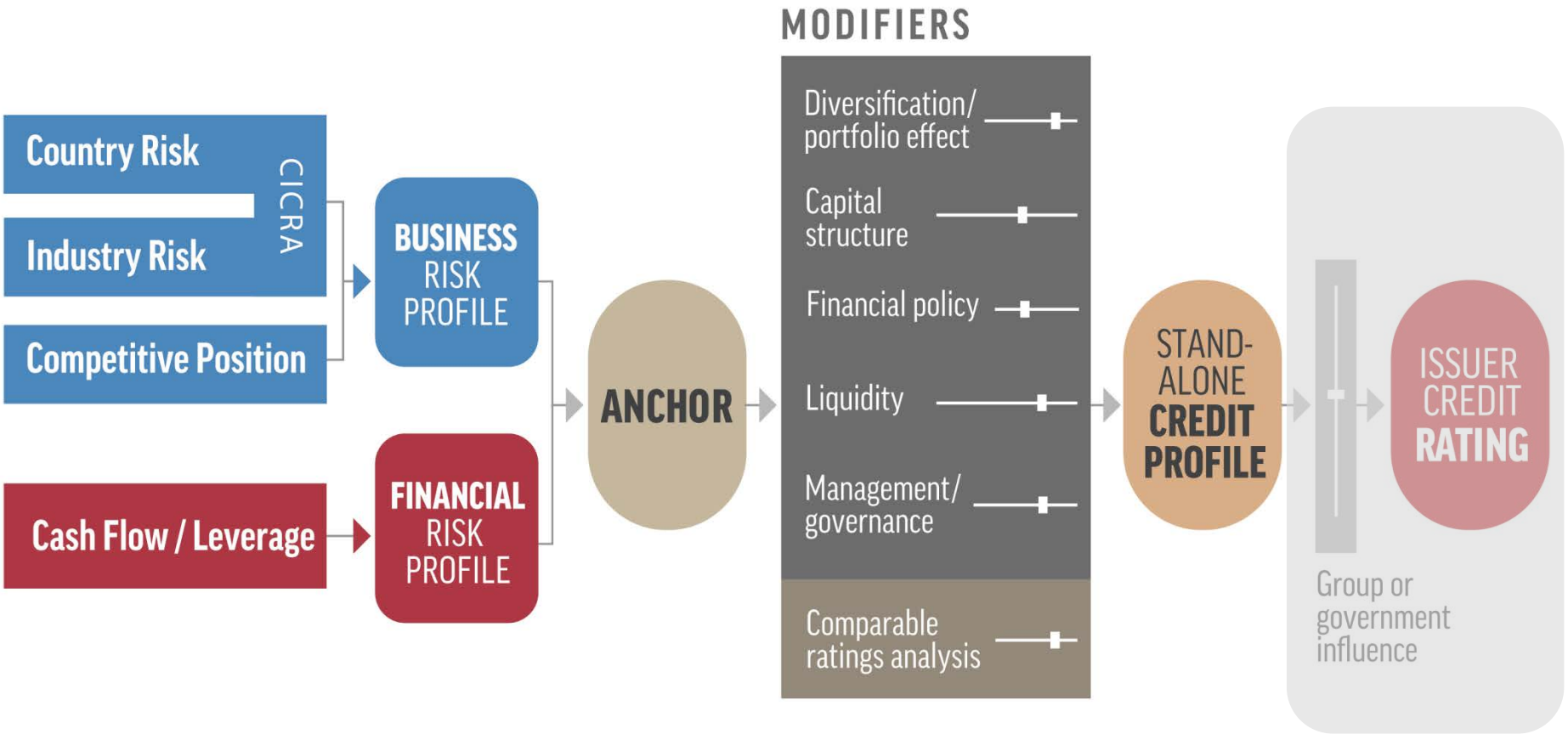
Business and Financial Risk Profile Matrix

Business Risk Profile	Financial Risk Profile					
	1 (Minimal)	2 (Modest)	3 (Intermediate)	4 (Significant)	5 (Aggressive)	6 (Highly Leveraged)
1 (Excellent)	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
2 (Strong)	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
3 (Satisfactory)	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
4 (Fair)	bbb/bbb-	bbb-	bb+	bb	bb-	b
5 (Weak)	bb+	bb+	bb	bb-	b+	b/b-
6 (Vulnerable)	bb-	bb-	bb-/b+	b+	b	b-

Im Falle zweier möglicher Ergebnisse in der Tabelle wird wie folgt entschieden:

- Die komparative Stärke des Geschäftsrisikoprofil für Finanzrisikoprofile 4 oder besser
- Die komparative Stärke des Finanzrisikoprofils im Falle eines Finanzrisikoprofiles von 5 oder 6

Modifiers



Emmissionsratings im Spekultativen Bereich

Unternehmensrating (Issuer Rating)

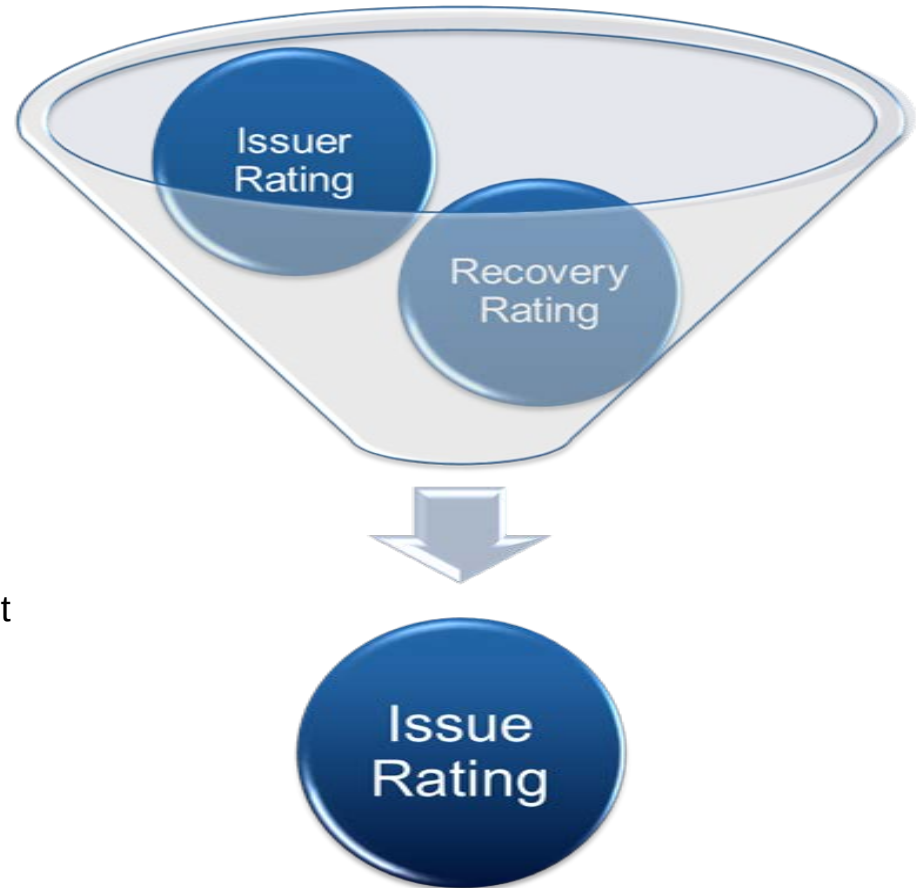
- Fähigkeit und Bereitschaft die finanziellen Verpflichtungen zu erfüllen
- 'Reine' Verlustwahrscheinlichkeit (PD)

Recovery Rating

- Schätzung des zu erwartenden Recovery Wertes des analysierten Finanzierungsinstrument
- 'Reine' Meinung zum möglichen Ausfallverlust (LGD)

Anleihenrating (Issue Rating)

- Kombination von PD and LGD



Ratings 4.0

Digitalisierung und Artificial Intelligence – Technologische Disruption

Einfluss auf die
Geschäftsmodelle
von gerateten
Unternehmen

AI (Augmented
Intelligence) –
Big Data Analyse

Kommunikation –
Integriert,
Persönlich

Innovation

Wie verändern sich Geschäftsmodelle?

The image displays four overlapping document thumbnails, each representing a different S&P Global Ratings methodology. The documents are arranged in a staggered, overlapping fashion, with the 'Banks: Rating Methodology' document at the top left, followed by 'Nonbank Financial Institutions', 'Corporate Methodology', and 'Key Credit Factors For Financial Services Finance Companies' at the bottom right. Each document features the S&P Global Ratings logo and the RatingsDirect® logo. The documents are dated November 9, 2011, and December 9, 2014, respectively. The 'Banks: Rating Methodology' document includes a table of contents and a list of criteria. The 'Nonbank Financial Institutions' document includes a table of contents and a list of criteria. The 'Corporate Methodology' document includes a table of contents and a list of criteria. The 'Key Credit Factors For Financial Services Finance Companies' document includes a table of contents and a list of criteria.

S&P Global Ratings
Criteria | Financial Institutions | Banks:
Banks: Rating Methodology
November 9, 2011

S&P Global Ratings
Criteria | Financial Institutions | General:
Nonbank Financial Institutions
December 9, 2014

S&P Global Ratings
Criteria | Corporates | General:
Corporate Methodology
November 19, 2013

S&P Global Ratings
Criteria | Financial Institutions | Finance Companies:
Key Credit Factors For Financial Services Finance Companies
December 9, 2014

Zusammenarbeit von Analysten unterschiedlicher Bereiche bei der Analyse wird zunehmend wichtiger: Neue Risiken wie Cyber Risk etc.

Mit welchen Tools werden Analysten arbeiten?

S&P Global sieht Chancen mit Augmented Intelligence - Anatech

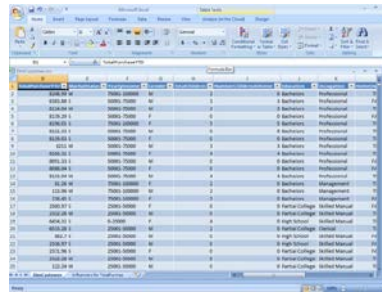
Advanced Statistics
connecting multiple in
and outside sources



Connect Multiple
Data Sources:
Enhanced Statistics



Excel: Charts,
Simple Stats,
Forecasts



Simple
Calculations



Manual
Research

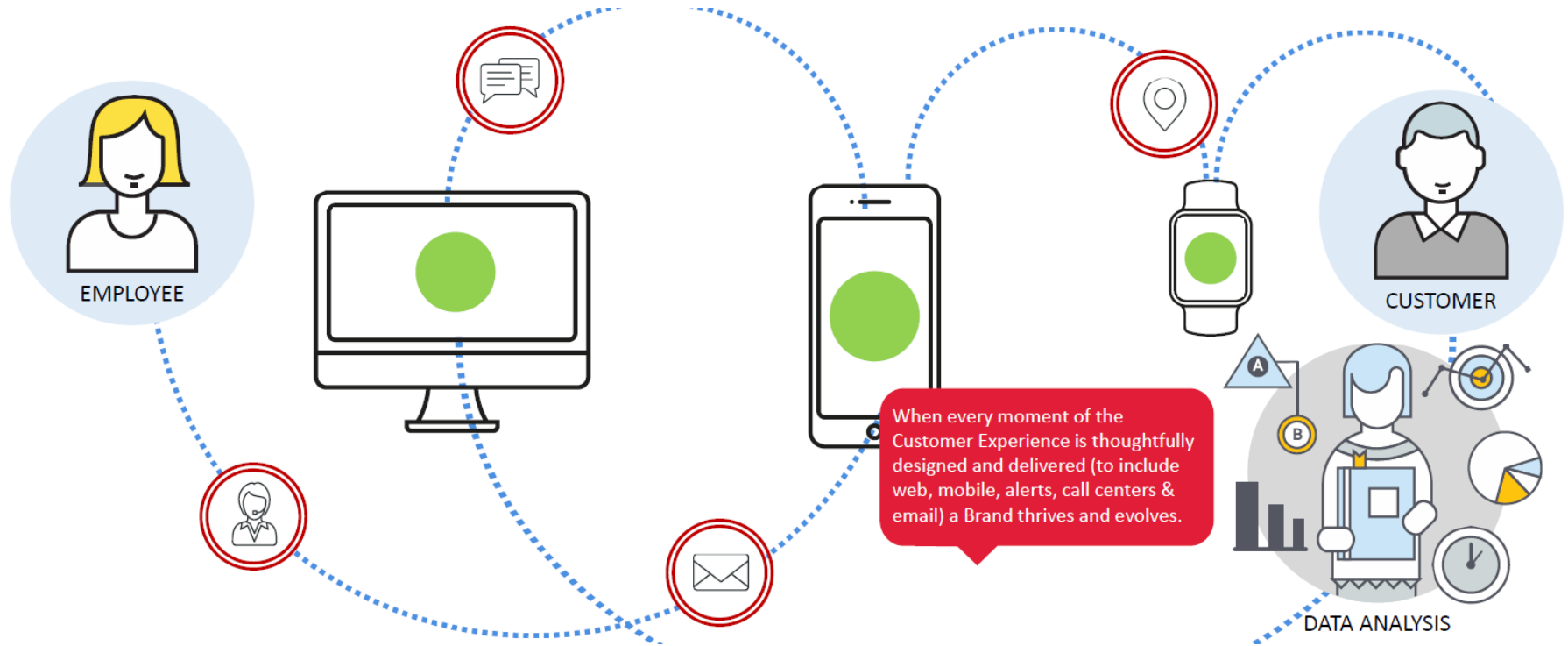


Die Bedeutung von Digital Literacy für den Veränderungsprozess in Unternehmen

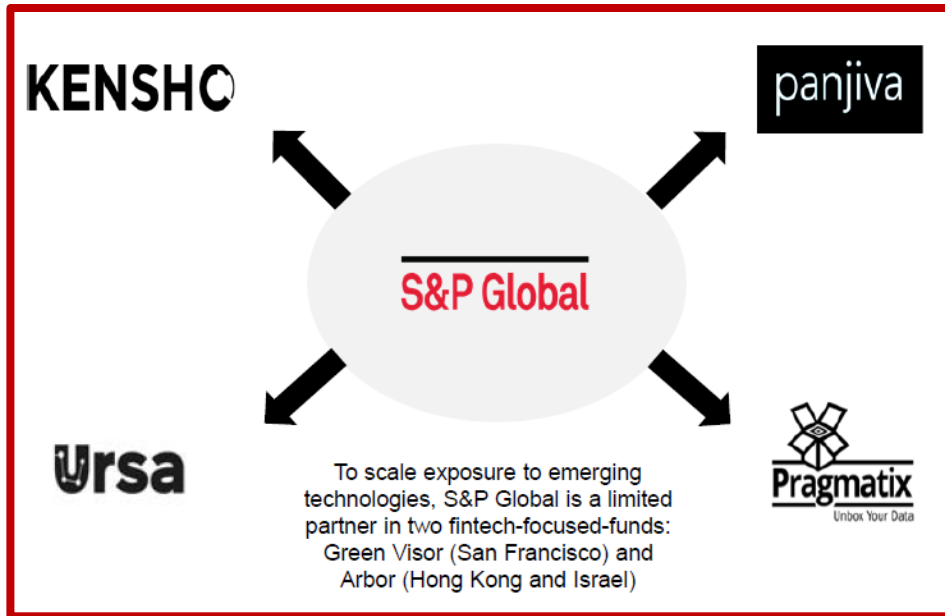
digital literacy =
digital tool knowledge +
critical thinking + social
engagement

Digital Experience für Kunden

Alle Bereiche sollten vernetzt sein für eine erfolgreiche Umsetzung



S&P Global: Externe und Interne Aktivitäten



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CORPORATE FINANCE		www.cf-fachportal.de
>> Finanzierung • Kapitalmarkt • Bewertung • Mergers & Acquisitions		
Herausgeber: Prof. Dr. Christian Aders • Prof. Dr. Alexander Bassen • Prof. Dr. Dirk Honold (Schriftleitung) • Norbert Hentschel • Prof. Dr. Christoph Kaserer • Dr. Jens Kengelbach • Dr. Hans-Dieter Klein • Prof. Dr. Jens Laker • Prof. Dr. Reinhard Meckl • Dr. Klaus-Michael Menz • Dr. Ingo Natusch • Prof. Dr. Klaus Röder • Prof. Dr. Dirk Schiereck • Prof. Dr. Bernhard Schwelzler		
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Ratings 360- Neue Plattform für Emittenten (Live)

S&P Global

Market Intelligence

Ratings360™

Dashboard

Ratings

Non-Ratings

Peers

Counterparties

Economic Research

Product Solutions

Investor Sentiment

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main | R360 DASHBOARD

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My Rating

AA-

Issuer Credit Rating

Foreign Currency LT

Outlook

Stable

Top Headlines

Most Recent

Company Related

Peers

Counterparties

Banking Industry Country Risk Assessment Update Published For December 2018

Nikola G Swann | Dezember 28, 2018 23:03 CET

TORONTO (S&P Global Ratings) Dec. 28, 2018--S&P Global Ratings has published its "Banking Industry Country Risk Assessment Update: December 2018." This article presents updates to S&P Global Ratings' views on the 91 banking systems that it currently reviews under its Banking Industry Country Risk Assessment (BICRA) methodology. We also present government support assessments, as well as economic and industry risk trends, for those banking systems. Since we last published this report on Nov. 23, 2...

360 Risk Dashboard

E&D

Green Evaluation

E1/85

ESG Evaluation

E1/100

Cyber Risk Assessment

These are non-ratings scores.

Economic Research | Germany

Summary

Sovereign Risk

Economic Conditions

More

Summary

We expect Germany to preserve strong budgetary and external positions during 2018-2021 amid solid, albeit moderating growth rates. We are affirming our 'AAA' long-term and 'A-1+' short-term sovereign credit ratings on Germany. The outlook is stable.

More

S&P 500

S&P 1200

Index Value

	LAST	CHANGE	% CHANGE
S&P 500 Financials	398.82	2.92	0.74%
S&P Global 1200 Financials Index USD	1,219.64	(1.43)	(0.12)%

Ratings Distribution

Peers

Counterparties

FOREIGN CURRENCY

LOCAL CURRENCY

Issuer Credit Rating (Long Term)

S&P Global
Ratings

To change, turn on or off footer: Inset > Header & Footer > Enter / change text > Click Apply All.

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RD - Neue Plattform für Investoren (In Progress)

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PayPal Holdings Inc. | RESEARCH

September 26, 2018

Rationale

Business Risk

- Operates one of the largest online payments systems and digital payments platforms globally
- Highly scalable business model
- Strong growth prospects in online and digital payments
- Narrow product focus (payment processing)--that is, limited diversification

Financial Risk

- Strong cash flow generator
- Still-low leverage despite an increasingly aggressive financial policy
- Below-average operating margin (compared with other financial market infrastructure companies)

Clearing and Settlement Risk

- Lower risk on the [U.S. retail loan book](#) following the transaction with Synchrony
- Planned expansion of the merchant loan book

Company Description

PayPal is an online payments system that operates one of the largest digital payments platforms globally. It helps people and businesses accept and make payments online in more than 200 markets worldwide and more than 100 different currencies. PayPal was spun off by eBay into a separate, publicly traded company and started trading on the NASDAQ on July 20, 2015. There are essentially four different ways to transact through PayPal:

- The payment networks such as Visa or MasterCard;
- A customer's bank account;
- Cash deposited to and held with PayPal; and
- A consumer credit through PayPal's Credit program (through Synchrony as the lender in the U.S.)

Regulation

Technically, PayPal is not considered a bank because it does not engage in fractional reserve banking. That said, we consider PayPal a quasi-regulated entity. For example, its Luxembourg entity has a banking license, and in the U.S. it is registered with the Treasury Department as a money services business and licensed in 48 states. PayPal operates very close to the highly regulated banking environment, which at least in part extends to its own operations and conduct.

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BBB+ / STABLE / A-2

Issuer Credit Rating

COMPANY DESCRIPTION

PayPal is an online payments system that operates one of the largest digital payments platforms globally. It helps people and businesses accept and make payments online in more than 200 markets worldwide and more than 100 different currencies. PayPal was spun off by eBay into a separate, publicly traded company and started trading on the NASDAQ on July 20, 2015.

RATINGS SCORE SNAPSHOT

Last Updated Date: 12/05/2018

Business Risk: Satisfactory (3)

Country risk Low(2)

Industry risk Low(2)

Competitive position Satisfactory (3)

Financial risk Minimal (1)

Preliminary anchor a-

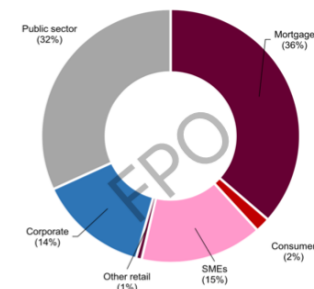
Clearing and settlement risk -1

Anchor: bbb+

Modifiers

Quick Chart View

Loan Book By Sector (June 2018)



Source: Belfius Bank
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Chancen der Digitalisierung für Ratings 4.0



Bessere Informationsaufbereitung für die Entscheidungsfindung – Augmented Intelligence



Mehr Transparenz und Erklärung von kausalen Zusammenhängen



Möglichkeit von Scenario Analysen mit komplexen Zusammenhängen



Effizienzsteigerungen für Kunden und Unternehmen



Innovationen



Zeitnahe Entscheidungen



Bessere Integration in Arbeitsprozesse von Investoren und Unternehmen



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