

**CASE STUDY**

# Uncovering Potential Risks in a Regional Bank's SME Loan Portfolio

**THE CLIENT:**

A U.S. regional bank

**USERS:**

The portfolio management team

Assessing the credit risk of small- and medium-sized enterprises (SMEs) can be one of the most challenging tasks for a bank, especially when there is a lack of available financial information. The need for robust methods to evaluate potential exposure with SMEs became even more important during the uncertain period caused by the COVID-19 pandemic, with many of these firms being harder hit than larger entities.

This U.S. regional bank was focused on inorganic growth and had acquired a number of loan portfolios as part of recent M&A transactions, with many of the borrowing entities being SMEs. The portfolio management team within the corporate banking division was charged with assessing their creditworthiness and pinpointing any potential problems.



## Pain Points

The portfolio management team was performing one-off searches to find information on each of the companies it needed to review. This was a very ad hoc and time-consuming process, and often resulted in uncovering sparse details only. The team needed access to more comprehensive and reliable information to feel confident in its assessments, and also wanted to save time and simplify workflows. In particular, there was interest in having:

- **Insights from the market**, including forecasts and opinions from industry experts, such as brokerage, independent and market research providers.
- **One source of information** to avoid the need to reach out to multiple providers.
- **Strong search capabilities** to quickly zero-in on companies of interest.
- **Efficiency tools**, such as the ability to review the contents of a report before downloading it and create alerts to stay on top of developments.

**The portfolio management team needed to evaluate the creditworthiness of a range of new loan customers, many of which were SMEs, and wanted to understand the market's view of potential risks.**

The bank had been a long-standing client of S&P Global Market Intelligence (“Market Intelligence”) and spoke with the firm about its relevant capabilities in this area.



## The Solution

Market Intelligence shared its Aftermarket Research offering, which not only includes globally renowned brokers such as J.P. Morgan, Credit Suisse, Barclays, and others, but also offers one of the strongest collections of small- to middle-market brokers that cover SMEs. This solution would enable the team to:



**Access insightful research with coverage of SMEs**

The **Aftermarket Research** collection features more than 30 million reports from 1,800+ global investment research providers, including small- to middle-market brokers,<sup>1</sup> to help users gain essential perspectives on the companies, sectors, and industries they track.

**Search filters include:**

- Ticker(s)/Company name
- Analyst
- Keywords
- Date range
- Contributors
- Categories
- Asset class
- Industries
- Geography
- Languages
- Page length

**Searches can be saved** for quick retrieval.

<sup>1</sup> Data as of March 2021

**Email alerts can be set** with frequencies of choice.

**Users can learn about a report of interest before downloading**, using precision search capabilities to:

- Locate relevant reports, ranked according to keyword search relevancy.
- View a page-by-page summary of sections and tables in each report.
- Preview thumbnails.
- ...and more.

**Mobile apps** for smartphones and iPads provide access to the latest research to stay connected to markets and companies.



## Key Benefits

Members of the portfolio management team felt they would be well-equipped to undertake credit risk analysis with the Aftermarket Research solution. As an existing client, the team could tap into Aftermarket Research from several areas on the S&P Capital IQ Pro platform. Additionally, an investment widget could be added to a watch list or dashboard, or incorporated directly into a customized report builder. In particular, the team saw value in being able to:

- **Access thousands of analyst reports from well-known, as well as smaller, local brokerage and market research providers across the globe** to obtain in-depth company and industry analyses. Top global and regional firms include J.P. Morgan, UBS Investment Bank, Credit Suisse, Barclays, HSBC, Deutsche Bank, Jefferies & Company, and RBC Capital Markets.
- **Easily locate the research needed** with robust searching tools and receive email alerts of newly-available research reports that match the search queries.
- **Preview the contents and layout** of a report before downloading
- **Compare reports** with a unique side-by-side preview capability.

*[Click here to learn more about the Aftermarket Research solution.](#)*

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