„RISK MONITOR"

MONITORING AND GEO-REFERENCING POLITICAL RISK EVENTS

Munich, September 27, 2017

SICYON
RISK CONSULTING

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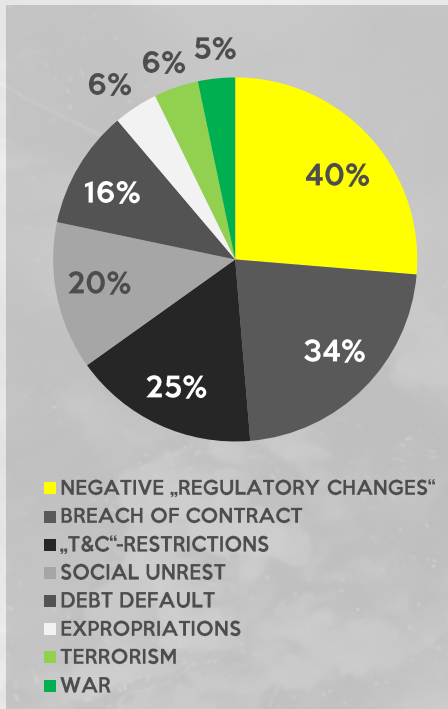*Our vision is to globally identify and detect political risks in real-time*

POLITICAL RISKS: EFFECTS

Bad risk assessments can damage investments abroad by up to 30%

WHY ARE POLITICAL RISKS A PROBLEM?

- 40% NEGATIVE „REGULATORY CHANGES"
- 34% BREACH OF CONTRACT
- 25% „T&C"-RESTRICTIONS
- 20% SOCIAL UNREST
- 16% DEBT DEFAULT
- 6% EXPROPRIATIONS
- 6% TERRORISM
- 5% WAR

FINANCIAL LOSSES THROUGH
POLITICAL RISKS
(WORLD BANK, 2014)

INVESTMENT DECISIONS
Almost 55% of decision-makers see political risks as serious obstacle for making investments

DISRUPTION OF BUSINESS
Risks through sudden changes of regulations (expropriations, transport regulations, capital flight, costs for local employers, …)

COSTS OF NEGATIVE EXPECTATIONS
„costs of fear" and negative future expectations

LECAL UNCERTAINTIES
Risks through sudden changes of legal frameworks

DIRECT RISKS "ON-SITE"
Local wars, social unrest, kidnapping, migration waves, …

SECURITY MEASURES
Costs for evacuations, security measures and personell, surveillance, protection

"MAPPING": IMAGING TECHNIQUES

- *Disease patterns in medicine*
- *Material testings*
- *Archeological investigations*
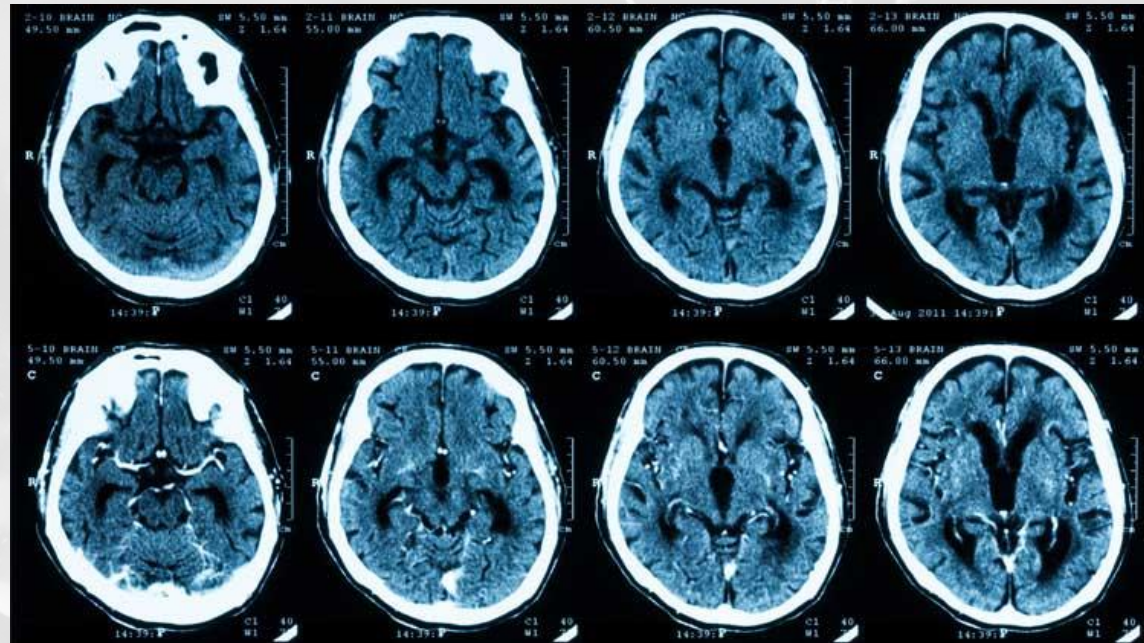
Computer tomography of the human brain

Similar to tomographic methods, political risks can be observed by „slicing" through different levels and dimensions

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RISK EVENT MAPPING FOR CHINA („LABOR UNREST")

"Slicing China" through the level of subnational entities and among different risk dimensions
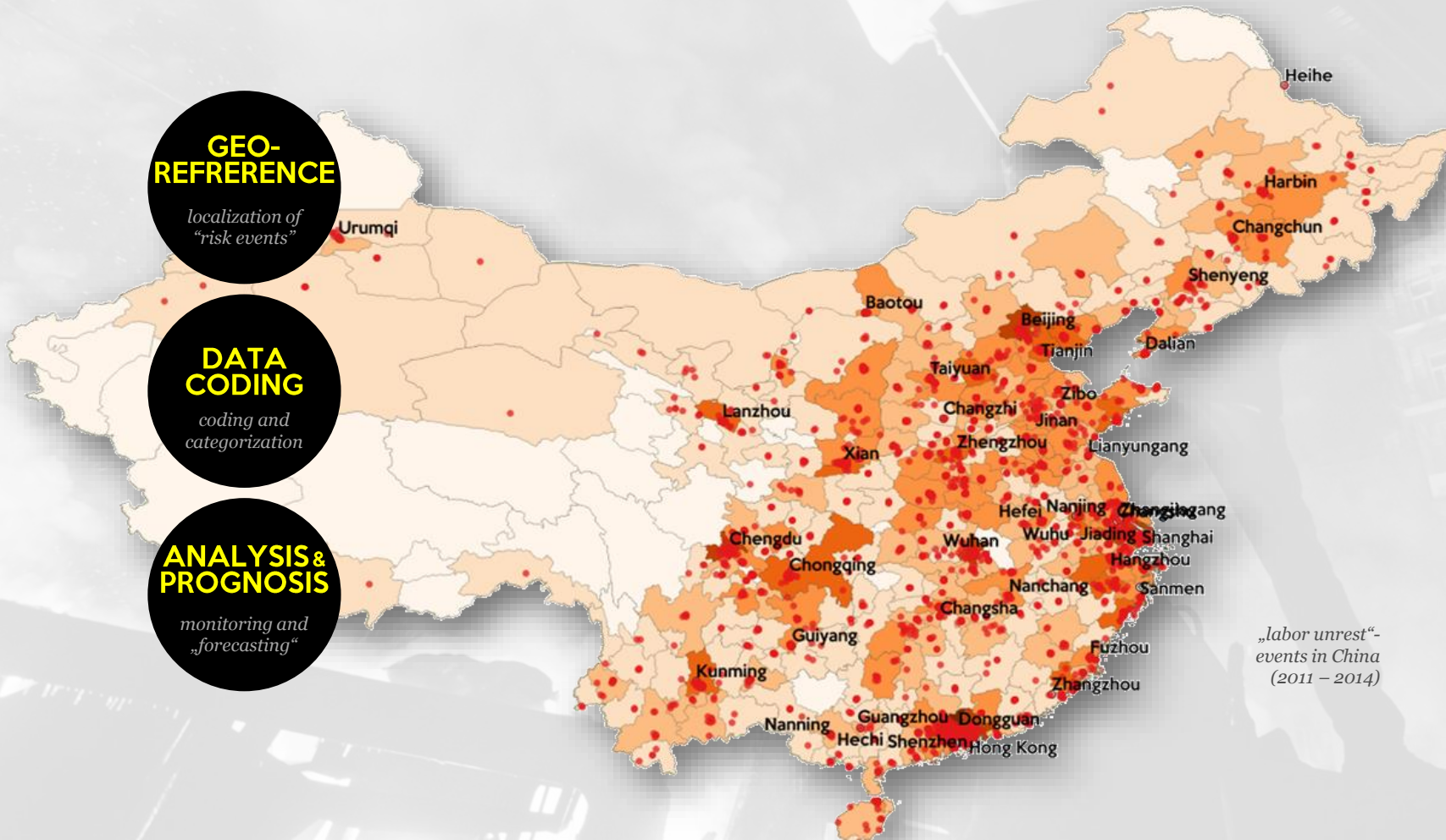
GEO-REFRERENCE

localization of "risk events"

DATA CODING

coding and categorization

ANALYSIS & PROGNOSIS

monitoring and „forecasting"

Heihe
Harbin
Changchun
Shenyeng
Urumqi
Baotou
Beijing
Tianjin
Dalian
Taiyuan
Zibo
Lanzhou
Changzhi
Jinan
Xian
Zhengzhou
Lianyungang
Hefei Nanjing Zhangjiagang
Chengdu
Wuhu Jiading Shanghai
Wuhan
Chongqing
Hangzhou
Nanchang
Sanmen
Changsha
Guiyang
Fuzhou
Kunming
Zhangzhou
Nanning Guangzhou Dongguan
Hechi Shenzhen
Hong Kong

„labor unrest"-events in China (2011 – 2014)

**PROFILE
AND
DIMENSION**

*Each country
and each region
exhibits a
characteristic
"risk profile"*

„RISK PROFILES"

GLOBAL
TERROR

SOCIAL
UNREST

MARITIME
SECURITY

GOVERNMENT
STABILITY

ORGANIZED
CRIME

CORRUPTION

GLOBAL TERROR

10,0

7,5

5,0

2,5

0,0

CORRUPTION

SOCIAL UNREST

ORGANIZED
CRIME

MARITIME
SECURITY

GOVERNMENT
STABILITY
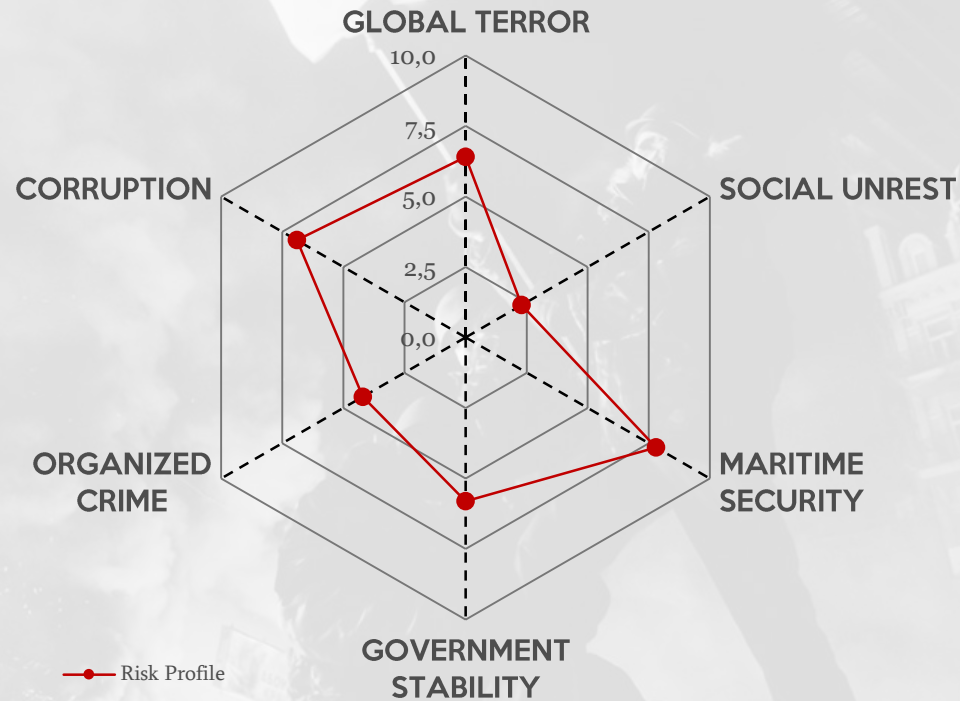
Risk Profile

RISK MAPPING METHOD

By scraping big data sets, we provide for detailed risk profiles

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FROM "BIG DATA" TO "ANALYTICAL SOLUTIONS"

BIG DATA SCRAPING

- *Scraping and analysis of risk events*
- *Spatial, temporal and semantical coding*
- *Regional, national, local or POI analyses*
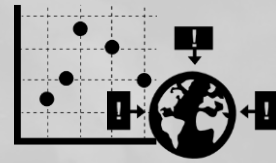
MONITORING AND FORECASTING MODELS

- *Global monitoring based on risk profiles*
- *Assessment and forecasting of risk event data*
- *Scientific models*

„ANALYTICAL SOLUTIONS"

- *Platform-based*
- *Real-time architecture*
- *Early warning system*
- *customizable*

"SEARCHING URL's"

We scrape millions of news, blogs, RSS feeds, or social media comments

TRIANGLE SEARCH

SCORING POINTS

WORD RELATIONS

SEARCH PROFILES

WORD TYPES

SPECIAL SEARCH

Suicide Bomber in Ansbach, Germany, Pledged Loyalty to ISIS, Officials Say

ANSBACH, Germany — A 27-year-old Syrian who blew himself up on Sunday evening outside a wine bar in southern Germany, wounding 15 people, had recorded a cellphone video in which he professed loyalty to the Islamic State, officials said Monday. The man, who entered Germany in 2014 but was denied asylum, detonated a backpack around 10 p.m. on Sunday, near the entrance to an open-air music festival that was attended by about 2,000 people. Of the wounded, four had grave injuries.

It was the second attack in Germany in one week linked to the Islamic State: On July 18, in Würzburg, a 17-year-old who had registered as an Afghan refugee wielded an ax and wounded four passengers on a train and a woman walking her dog before police officers fatally shot him. The attacks have profoundly disturbed a country that has taken pride in its ability to integrate migrants — enabled in part by its robust economy — and by its commitment to tolerance and openness.

Even before the attack in Ansbach, two other violent assaults — seemingly unrelated to the Islamic State — dominated the news: On Friday, an 18-year-old who had been treated for psychiatric problems shot nine people to death in Munich before killing himself, and earlier on Sunday, a 21-year-old Syrian refugee killed a woman with a kebab knife in Reutlingen, in the southwestern state of Baden-Württemberg.

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„INTENSITY, FATALITIES, EVENTS": ASSESSMENT OF POLITICAL EVENTS
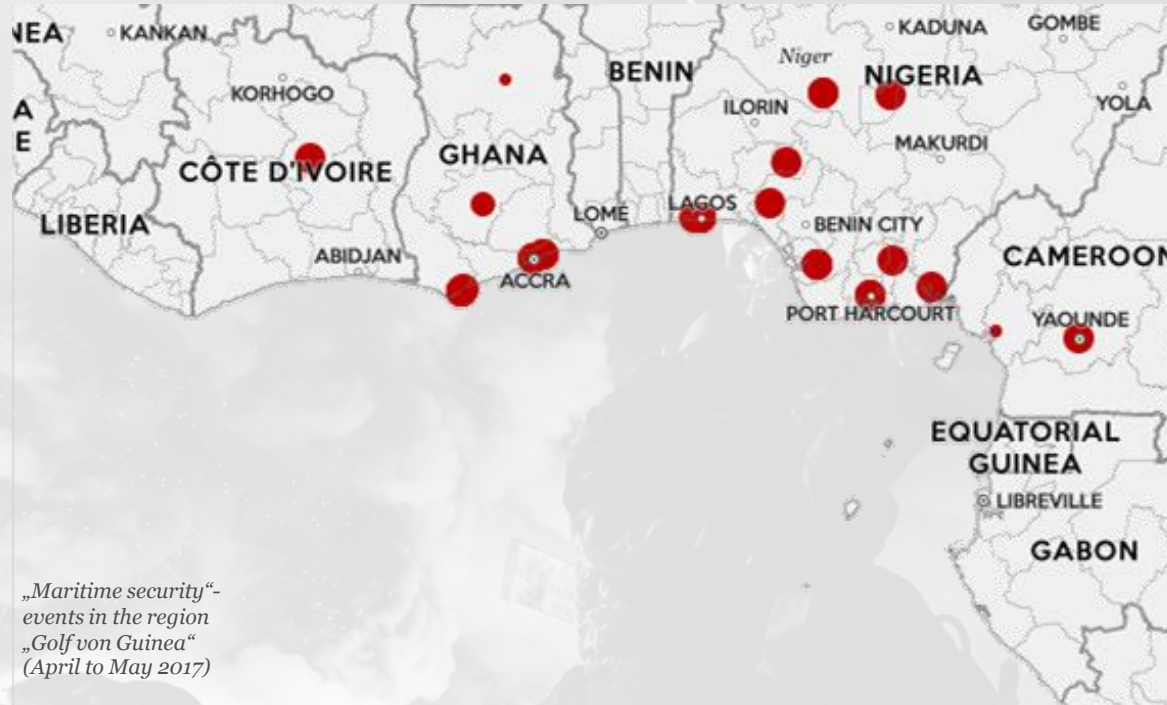
INTENSITY

Quantitative assessment of single risk events (scoring)

FATALITIES

Identification of fatalities of single risk events

EVENTS

Spatial and temporal classification of risk event (data, country, region)

„Maritime security"-events in the region „Golf von Guinea" (April to May 2017)

POLITICAL RISK IN NUMBERS

From big data to risk event ratings

„Maritime security" events in Egypt (May 2017) – categorized by intensity (scoring), date, geo-reference and event description

MONITORING
POLITICAL
RISKS

„RISK MONITOR": THE MODEL

Monitoring political risks – globally, in real-time and among different dimensions

updated several times a day

accessible from everywhere

individual optimization

SICYON
RISK CONSULTING

PHILIPP KLUEFERS, SICYON
27.04.2017

REGIONS

LOCATIONS

SETTINGS

DATABASE (REGIONS)

DATABASE (EVENTS)

26. FEBRUARY 2016 – 27. APRIL 2017

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