

April 14, 2020

11:00 AM EDT

Have a question or need  
support. Email us at:

[info@supplywisdom.com](mailto:info@supplywisdom.com)

## COVID-19: CONVERSATION WITH TPRM LEADERS

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**Victor Meyer**

Global Head of Third-Party Risk  
Management (TPRM) Remediation  
Program, Non-Financial Risk  
Management, **Deutsche Bank**  
&  
Former Vice-Chair, **WEF Global  
Agenda Council on Pandemic**



## EXPERT PANELISTS



**Atul Vashistha**  
Chairman  
Supply Wisdom &  
Neo Group

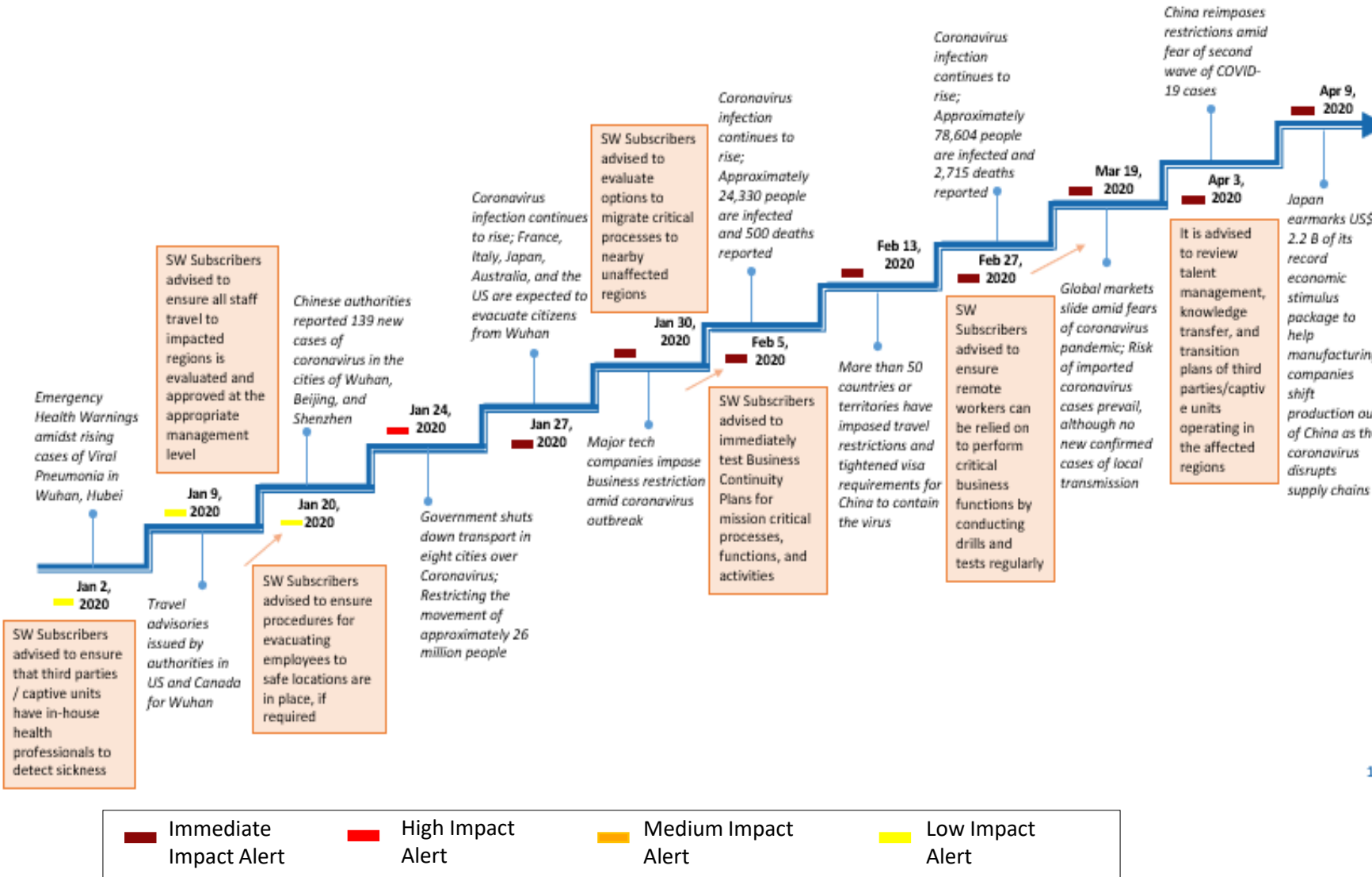


**John Bree**  
Chief Evangelist &  
CRO  
Supply Wisdom



**Sandeep Suresh**  
Head - Research  
Supply Wisdom

# CHINA: RISKS SECOND WAVE OF INFECTIONS AS IMPORTED CORONAVIRUS CASES INCREASE

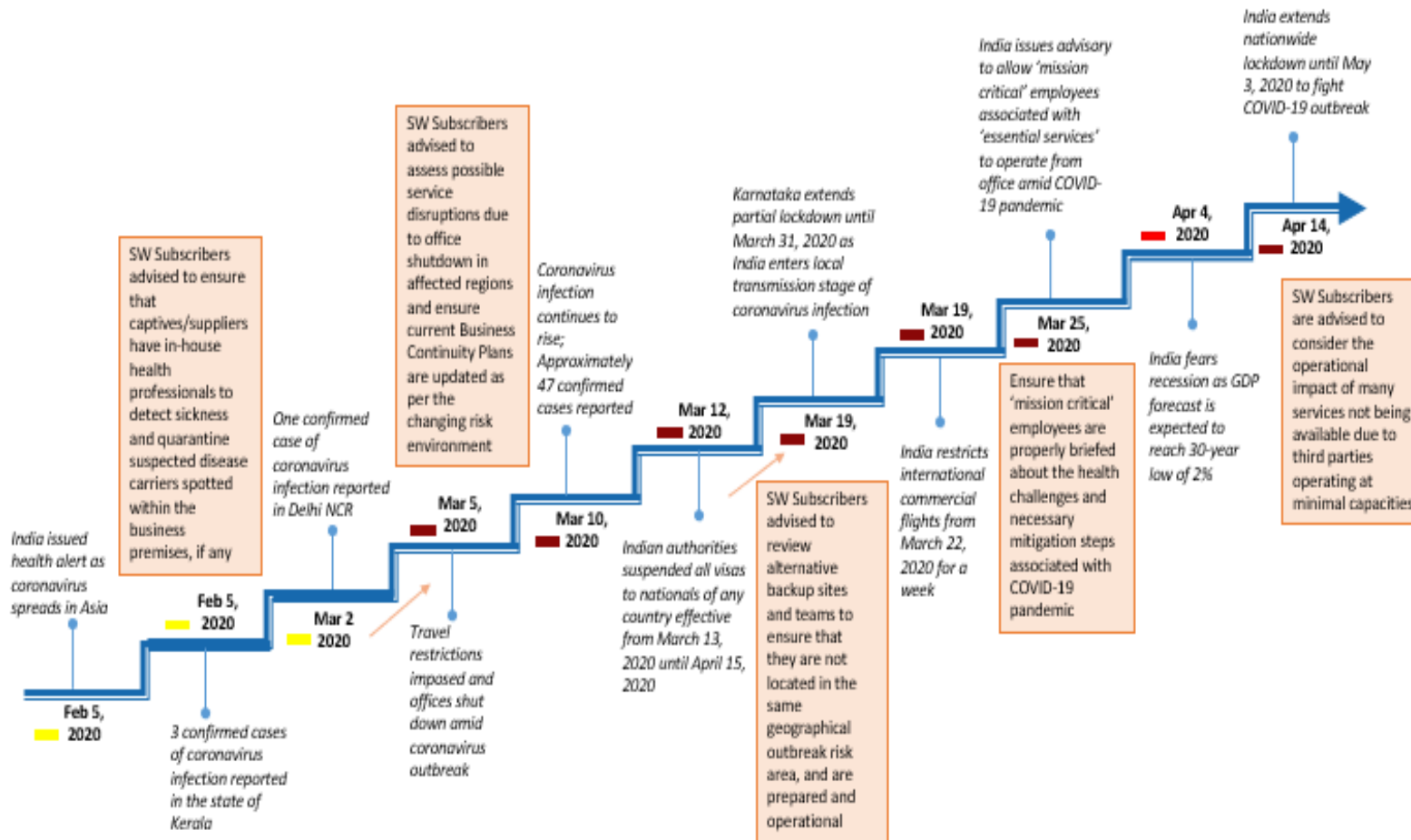


## Current Situation

- ✓ On April 9, Japan confirmed it was looking to move away from China as its main manufacturing hub
- ✓ On April 3, more than half a million people in Jia, Henan have been put under a new COVID-19 lockdown
- ✓ On March 18, China reported no new local confirmed cases of coronavirus (COVID-19) infection for the first time since the crisis began in January 2020
- ✓ However, 34 new confirmed cases from abroad were noticed, the biggest daily increase in two weeks, of which, Beijing accounted for 21 cases
- ✓ Approximately 3,245 deaths and over 81,000 confirmed cases are existing in the country
- ✓ On March 18, authorities in Hubei decided to partially open its borders to allow healthy people from low-risk areas to leave the province, excluding Wuhan
- ✓ However, a second wave of infections is in effect due to surge in confirmed cases from abroad, with an average of 20,000 people flying into China every day

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# INDIA: LOCKDOWN EXTENSION IMPOSED UNTIL MAY 3, INITIALLY SET TO END ON APRIL 14, 2020

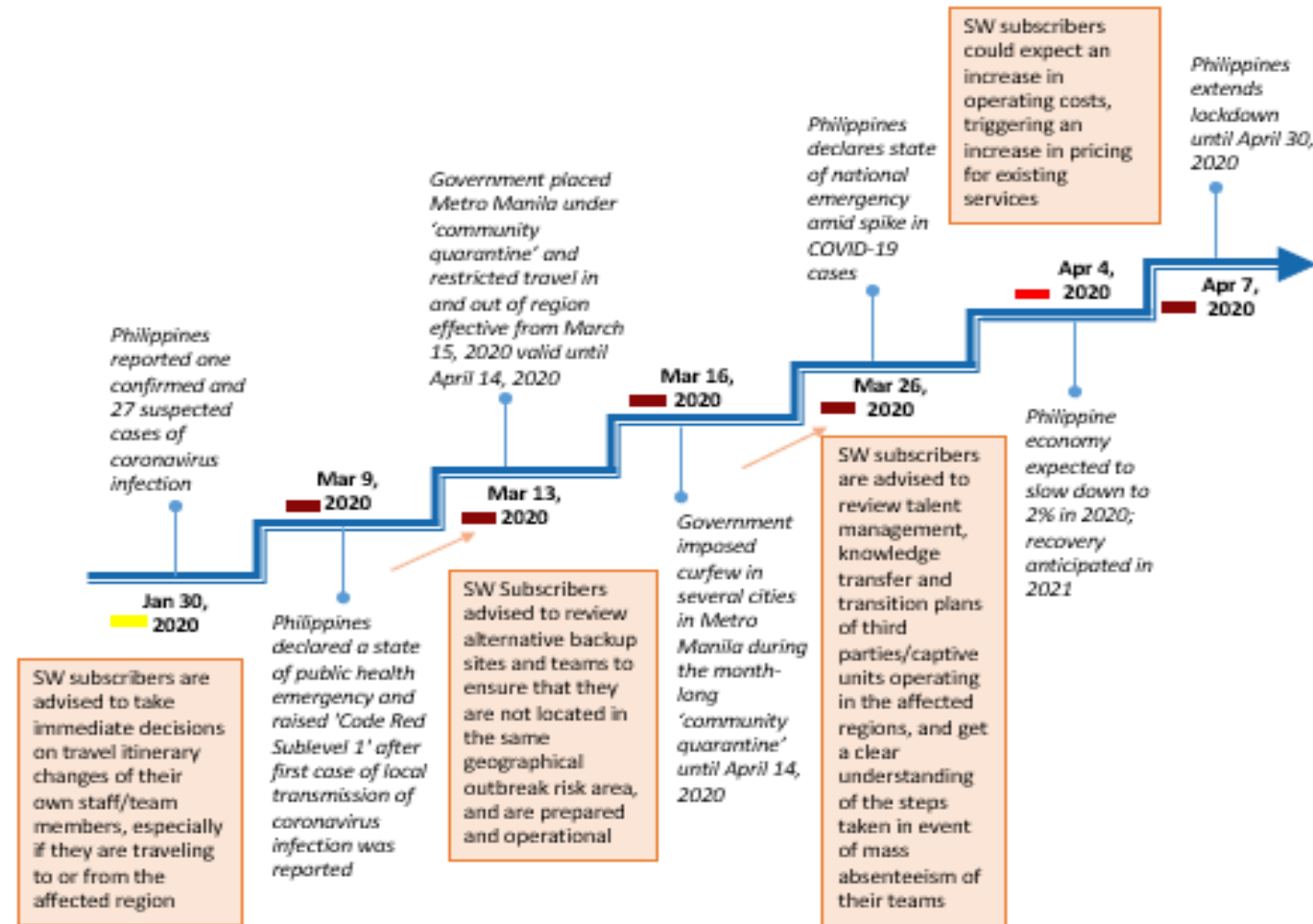


## Current Situation

- ✓ On April 14, India extended the nationwide lockdown until May 3, initially set to end on April 14, to curb the spread of COVID-19
- ✓ India is currently in local transmission stage of coronavirus pandemic
- ✓ On March 20, Maharashtra government announced closure of offices, except essential services, effective from March 20 until March 31
- ✓ On March 18, Karnataka government extended partial lockdown in the state until March 31, 2020 to curb the spread of COVID-19
- ✓ Several other states, including Uttar Pradesh, Odisha, Punjab, Haryana, Bihar, and Kerala also shut schools, colleges, cinema halls, gyms, and large gatherings
- ✓ Government restricted landing of all international commercial passenger aircraft in the country
- ✓ Authorities are taking stringent precautions to ensure 'social distancing' and 'self-isolation'
- ✓ Fitch Ratings downgraded India's growth forecast to a 30-year low of 2% in 2020 from earlier projection of 5.1%

■ Immediate Impact Alert
 ■ High Impact Alert
 ■ Medium Impact Alert
 ■ Low Impact Alert

# PHILIPPINES: EXTENDS LOCKDOWN UNTIL APRIL 30 AFTER CASES EXCEED 4,000



## Current Situation

- ✓ On April 14, authorities imposed a 24-hour lockdown in Barangay 20 in Manila, starting at 8 pm (PHT) after approximately 100 residents in the region gathered in the street for leisure activities amid the ongoing lockdown
- ✓ Philippine government placed Metro Manila under 'community quarantine' and restricted travel in and out of region effective from March 15, 2020 valid until April 14, 2020
- ✓ During the quarantine period, people and transport flows in and out of the region would be restricted and subjected to case-to-case assessment
- ✓ Imposed curfew in several cities in Metro Manila during the month-long 'community quarantine' valid from 8 pm (PHT) to 5 am (PHT) until April 14, 2020
- ✓ Cities that imposed curfew are Caloocan, Las Pinas, Makati, Mandaluyong, Manila, Muntinlupa, Pasay, Pasig, Quezon City, and Taguig
- ✓ Government also expanded travel ban to countries with localized transmission to restrict entry of foreigners through land, air, or sea
- ✓ On April 7, Philippines extended lockdown until April 30, 2020 after COVID-19 cases exceeded 4,000

Immediate Impact Alert
  High Impact Alert
  Medium Impact Alert
  Low Impact Alert



COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

White Paper

## Outbreak Readiness and Business Impact Protecting Lives and Livelihoods across the Global Economy

"Economists estimate that, in the coming decades, pandemics will cause average annual economic losses of 0.7% of global GDP – a threat similar in scale to that estimated for climate change. As this report makes clear, this is a level of risk that businesses can no longer afford to ignore."

January 2019



# CASCADING IMPACTS OF CATASTROPHIC RISK

## China | Hong Kong



### Country Data

Current CSBC Rating: **LOW**



### Deutsche Bank Footprint:

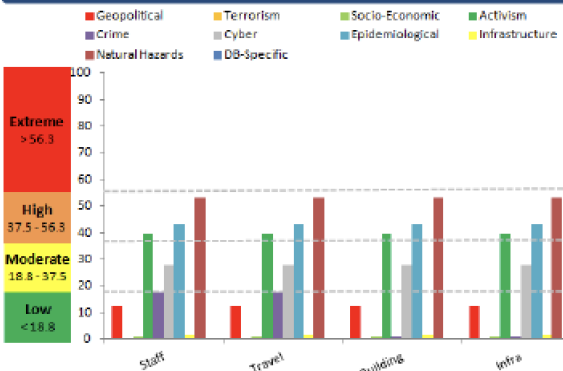
Staff 1,293  
Locations 1 Austin Road West, Kowloon  
Travellers 2,772 (Q3 2014)  
Business CB&S, GTB, AWM, Infrastructure Functions

### Rating Benchmark:

CRG	Low ( Travel rating)
TRAG	Low
AKE	17 / 100
DBR Risk	IAA+
Travel Advice:	
Warning	NIL
Alert	NIL
Evacuation	Preparatory

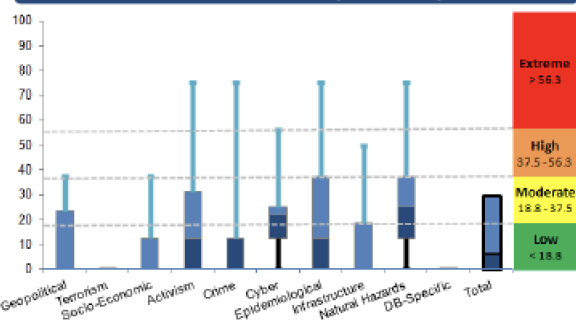
Events:  
Sep 2014 Students' strike and ongoing political protests

### Risk Landscape



Domain of Interest	Threat	Risk
Geopolitical	6	13
Terrorism	0	0
Socio-Economic	13	1
Activism	31	40
Crime	13	18
Cyber	31	28
Epidemiological	38	43
Infrastructure	0	2
Natural Hazards	38	53
DB-Specific	0	0

### Threat Potential (Box Plot)



### Explanatory Notes

- Hong Kong's location makes it prone to severe weather conditions, especially typhoons.
- High population density, intra-country travel patterns and a history of disease outbreaks increases epidemiological risks.
- Various pro-democracy groups have staged protests demanding democratic reforms, including blockade actions that have disrupted infrastructure and transportation.
- Political activism will remain the dominant theme in Hong Kong in the short term.



Has your third party performance  
deteriorated  
in the last 2 weeks?



# MOST COMPANIES LACK APPROPRIATE RISK MANAGEMENT

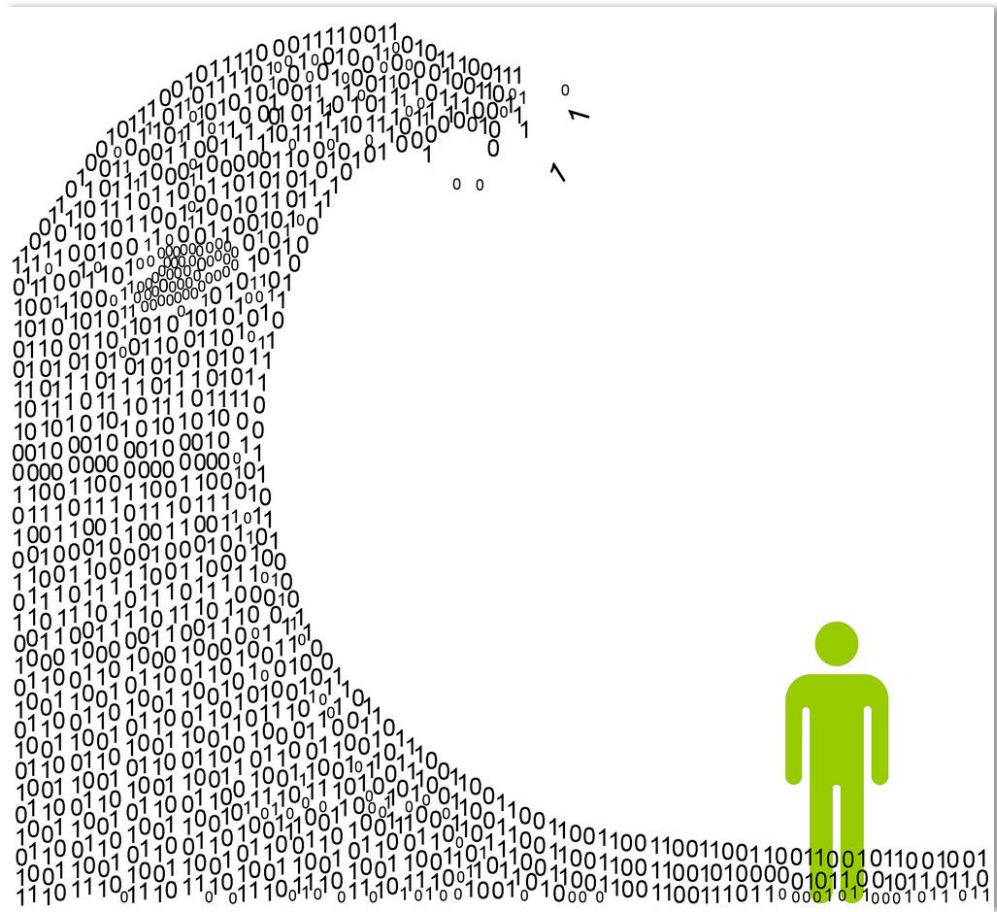
## Common Deficiencies In Risk Programs

- ✗ No Continuous Monitoring
- ✗ No Real-time Monitoring
- ✗ Episodic Assessments
- ✗ Reactive In Nature
- ✗ Limited Risks Assessed
- ✗ Location Risk Missing
- ✗ Individual Dependent
- ✗ Missing Guidance



# DATA OVERLOAD... SOLVED

## PROBLEM



## SOLUTION

Executive Dashboard

CityCountryThird Parties

QuarterYearShow

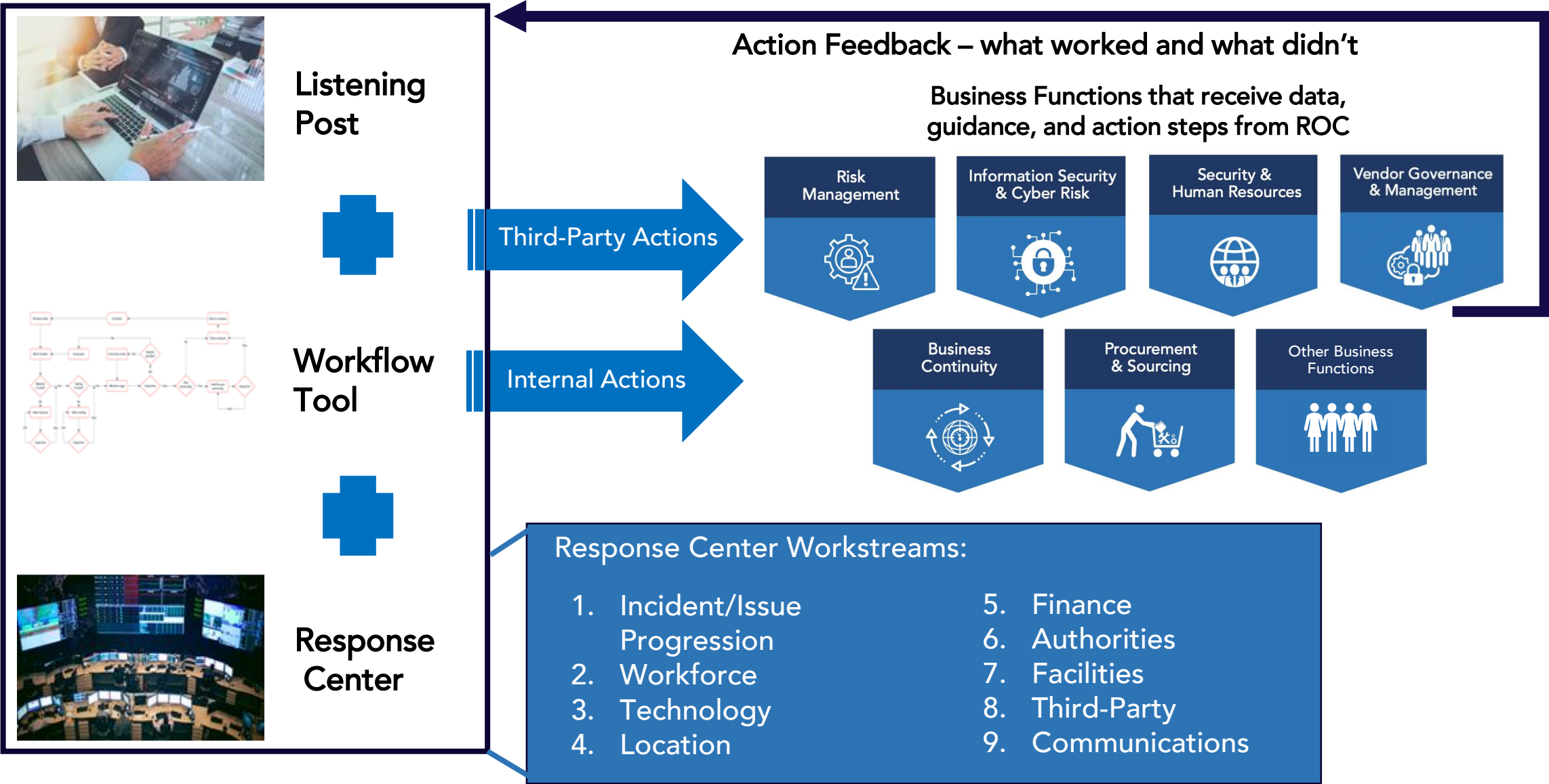
Methodology

Portfolio Comparison

CRITICAL TIER	Bangladesh			Belarus			Belgium			Bermuc	
	Q3 2019	Q4 2019	27-Mar-2020	Q3 2019	Q4 2019	27-Mar-2020	Q3 2019	Q4 2019	27-Mar-2020	Q3 2019	Q4 2019
Manager Category											
Composite Risk	5.77	5.77	5.77	4.96	4.96	4.96	5.14	5.14	5.14	4.88	4.88
Macro-Economic Risk	2.48	2.48	2.48	2.67	2.71	2.71	2.58	2.58	2.58	1.56	1.56
Financial Risk	3.30	3.30	3.30	4.10	4.10	4.10	7.13	7.13	7.13	5.12	5.12
Geo-Political Risk	6.04	6.04	6.04	3.33	3.31	3.45	3.89	3.89	3.95	4.03	4.03
Infrastructure Risk	5.95	5.95	5.95	5.92	5.92	5.92	5.34	5.34	5.34	5.28	5.28
Business Risk	7.01	7.01	7.01	5.13	5.27	5.27	4.77	4.77	4.77	3.40	3.40
Legal / Security And Compliance Risk	7.15	7.15	7.15	5.85	5.79	5.79	4.48	4.48	4.48	4.25	4.25
Scalability Risk	7.62	7.62	7.62	7.23	7.23	7.23	6.73	6.73	6.73	7.88	7.88
Quality of Life Risk	5.59	5.59	5.59	4.81	4.91	4.91	4.86	4.86	4.86	4.73	4.73
Read More											

## POLLING QUESTION 2

How confident are you in your ability to  
monitor your third party's  
changing risk profile?



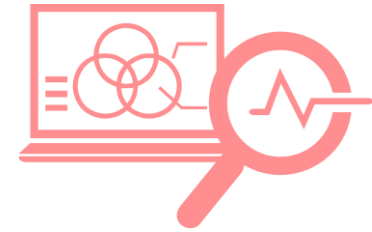
# THE RIGHT SOLUTION



Comprehensive Intelligence



Real-time & Continuous



No Noise Risk Alerts



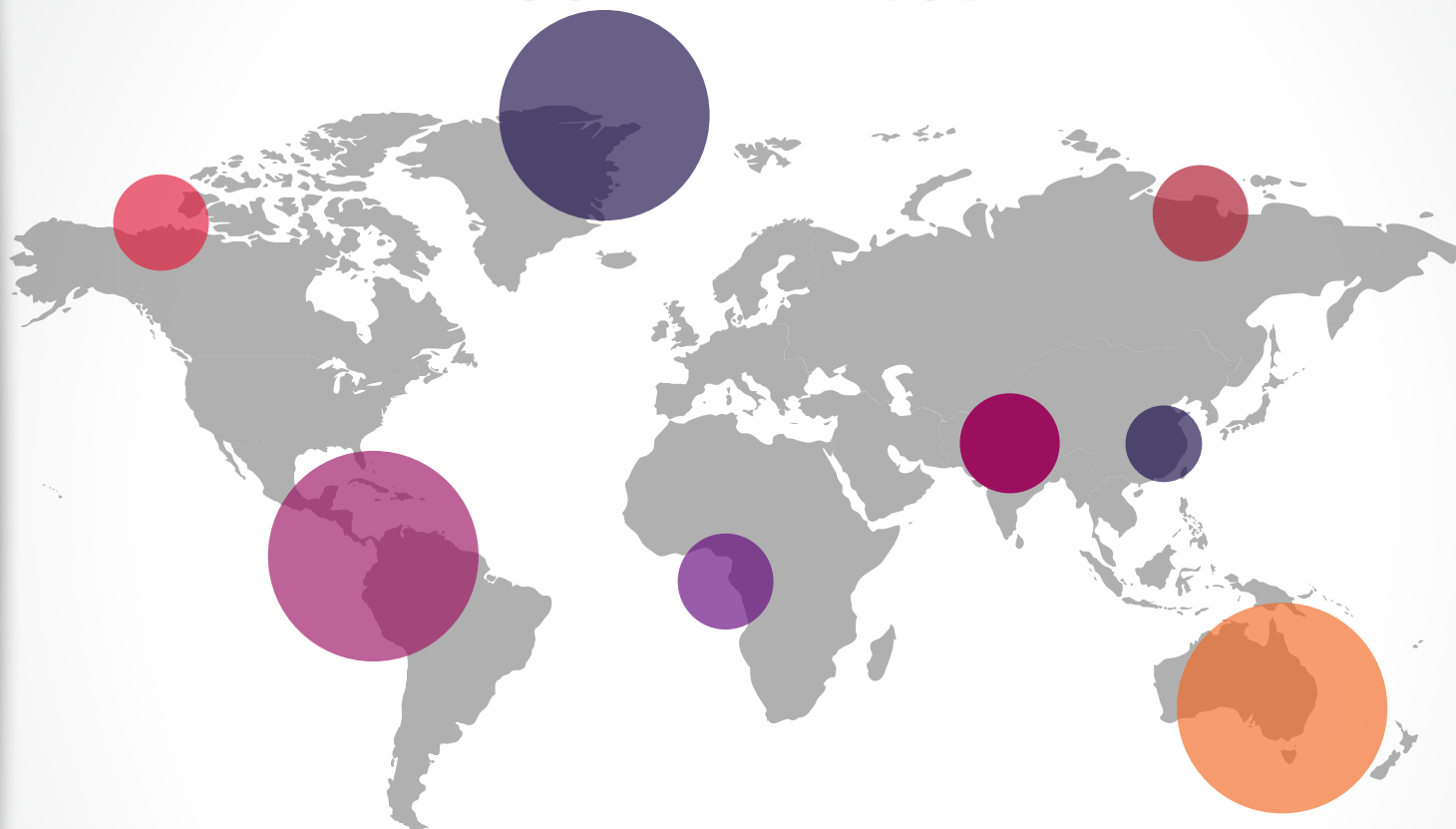
Response Center



Have a question or need  
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