prometeia

Credit Decision Management

We are a leading provider of consulting services and software solutions focused on Enterprise Risk & Performance Management

Founded in 1974 as an independent institute for economic research by a group of young university professors in Bologna, in 1981 Prometeia began offering analysis services to businesses and financial intermediaries. Since the '90s, the company's activities have focused increasingly on the integration of research, analysis, consultancy and software system development. This distinctive mix of services has made Prometeia a leading European company in risk and wealth management solutions, business consulting and advisory services for institutional investors. Prometeia collaborates closely with its clients to help them maximize their performance, whether they are banks, insurance companies, institutional investors, businesses, or public authorities.

Our combination of tech proposition, quantitative advisory, training and economic research makes our business model unparalleled in today's market

Prometeia's approach to Enterprise Risk Management is based on the development of quantitative models and analysis methodologies. The production of highly specialized software applications leverages leading technologies, the knowledge of our subject matter experts and our ability to successfully respond to the growing demands of regulation. Our deep understanding of international markets, derived from proprietary economic research, adds a unique element to Prometeia's business model and value proposition.

-> with over **800** industry experts

-> more than **40** years of economic expertise

-> we serve more than **200** financial institutions, including **50** primary banking groups in EMEA

-> in **20** countries

-> through a network of branches in **Europe**, **Russia**, **Turkey**, the **Middle East** and **Africa**

Our unique business model combines

(RISK SOLUTIONS) — (RISK ADVISORY) — (FINANCIAL AND ECONOMIC RESEARCH) — (KNOWLEDGE TRAINING)
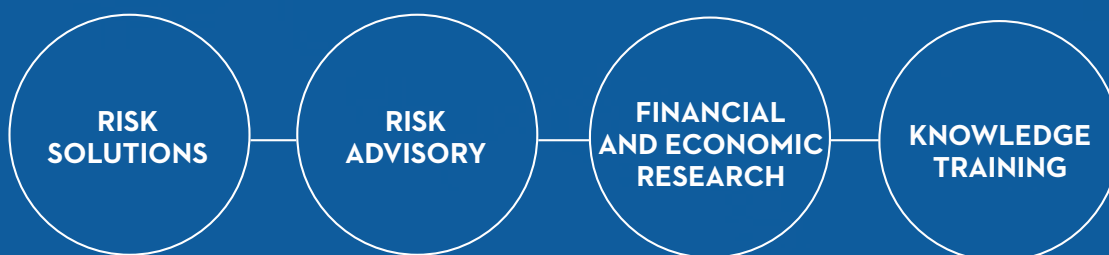
Our flagship Risk Management Suite

ERMAS Suite is our advanced and flexible solution designed to **support the active management of enterprise risks and maximize value generation**, while meeting the requirements set by national and international regulators.

ERMAS modular architecture allows the activation of each module independently to fill a specific gap of the bank's risk infrastructure, as well as the benefits of a single, integrated solution based on a common data warehouse and state-of-the-art technology.

BALANCE SHEET RISK MANAGEMENT

PERFORMANCE MANAGEMENT & CONTROL

CREDIT RISK ANALYSIS

CREDIT DECISION MANAGEMENT

REGULATORY & ACCOUNTING COMPLIANCE

FINANCIAL PRICING ENGINEERING

RiskTech 100
2016 Category Winner
Liquidity Risk & ALM

Risk Technology Awards 2018 Winner | Prometeia Enterprise-wide stress-testing product

Chartis
RiskTech Quadrant®
Category Leader
Technology Solutions for Credit Risk 2.0, 2018

Chartis
FinTech Quadrant™
Category Leader
IFRS 9 Technology Solutions 2017

RiskTech 100
2015 Category Winner
Customer Satisfaction

Risk Technology Rankings 2016 | Winner Liquidity risk management

Chartis
FinTech Quadrant™
Category Leader
Data Integrity and Control in Financial Services 2018

Chartis
RiskTech Quadrant®
Category Leader Credit Risk Management for the Banking Book 2016
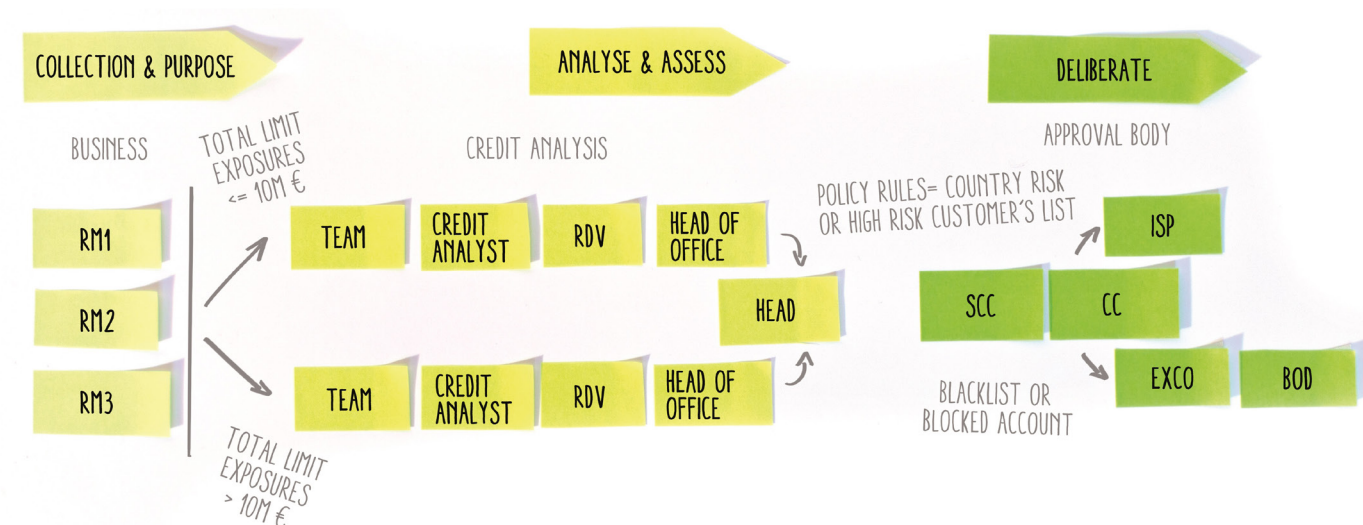
CREDIT ORIGINATION

The Electronic Credit Application aims to support a risk adjusted approach for credit lending according to bank context.

Prometeia's ECA Solution is an integrated, workflow-driven software platform enriched with state of the art risk analytics that allows credit officers to improve portfolio credit quality and to control the complete credit origination process for all loan categories with a structured, transparent, flexible, and efficient approach.

Through the Electronic Credit Application the bank's process for granting credit is enriched with risk sensitive tools, increasing portfolio quality and shifting the decision making process to a risk-based approach.

The platform is integrated with Prometeia's rating engine (RatingPro), Prometeia Credit Repository, and risk adjusted Pricing models in a modular environment, which provides advanced rating systems, an innovative data model, and credit monitoring tools consistent with Basel IRB requirements.

COLLECTION & PURPOSE   ANALYSE & ASSESS   DELIBERATE

BUSINESS   CREDIT ANALYSIS   APPROVAL BODY

TOTAL LIMIT EXPOSURES <= 10M €

POLICY RULES= COUNTRY RISK OR HIGH RISK CUSTOMER'S LIST

RM1   TEAM   CREDIT ANALYST   RDV   HEAD OF OFFICE   ISP

RM2   HEAD

RM3   TEAM   CREDIT ANALYST   RDV   HEAD OF OFFICE   SCC   CC

TOTAL LIMIT EXPOSURES > 10M €   BLACKLIST OR BLOCKED ACCOUNT   EXCO   BOD

An integrated data management and decision making process with state of the art analytics

MAIN FEATURES

Support for the Credit office with structured data and risk/pricing models, ensuring that each new application optimizes capital allocation and value creation

Reduction of uncertainty deriving from personal evaluation, introducing a new level of accuracy to risk management practices

Meeting of regulatory requirements and increased process efficiency by calculating advanced and consistent credit risk metrics

Management of risk / return trade-off in credit decisions having a reliable view on risk across multiple internal drivers

Reduction of time-consuming processes and redundant systems in the loan origination activity, as well as improved operational efficiency by standardizing origination and risk management procedures

Increased portfolio evaluation efficiency by providing detailed portfolio and single customer performance measures

Up-to-date methodologies and software architecture with lighter hardware and networking resource requirements

High flexibility in credit workflow customization to manage the bank's evolution in the origination structure

Risk adjusted evaluation of credit applications fully compliant with regulatory requirements, reducing defaults and increasing lending margins

Advanced reporting tools for comprehensive support in loan decisions

Increased efficiency with a timely and standardized organization of the credit approval process, together with loan decisions transparency and traceability

RATING ATTRIBUTION

In the current market scenario a sound credit risk rating assessment is fundamental to meet regulatory requirements and to effectively support business processes.

The RatingPro engine is integrated with Prometeia 's Credit Repository and ECA, making it possible to automatically rate the clients already loaded into the database or new clients who are submitting a loan application.

The rating application occurs via an automatic process that can be triggered by specific data or other events specified by the user.

RatingPro includes Prometeia's DefaultGrade rating models which can be used in banks with no internal rating models for calculating IRB estimates.

DefaultGrade applies different rating models identified on the basis of company size and differentiated by number, type and impact of variables used.

Ratings are assigned by a comprehensive model built from separate financial, behavioural and qualitative models; the weight of each model is different according to company size. PD is applied after rating, and can be easily calibrated to comply with market distinctions. Tested in various countries, the strong predictive performance is aligned with market best practices in all industrial sectors.

A flexible rating engine that ensures compliance with your regulatory needs

MAIN FEATURES

Underlying database stores all historical ratings and respective I/O data

Prometeia's proprietary financial DefaultGrade SME/corporate models and relative customizations for internal portfolios

Configurable parametric run procedure for rating of loan application/renewals via cost-effective overnight batch exchange of I/O csv files with the bank's Electronic Credit Application system

Comprehensive output data feed including rating and PD, diagnostics for the impact of model variables on assigned ratings, and relevant information for tracing the rating computation such as:

Customizable scoring/rating models for all loan segments/products and usual data sources for the loan book as well as scorecard and notching algorithms relative to qualitative and behavioral data

• 1-year client-specific PD

• PD Rating class

• Notching levels derived from implemented scorecards

• Risk contribution of single model variables and variable types (e.g. profitability, growth, etc.)

Support of local GAAP standards for financial statements (both balance sheet and income statement), at aggregation level comparable with IV EEC Directive reclassification schemes

• Traffic light-style benchmarking of model variables for each counterparty

• All model and scorecard variables

CREDIT MONITORING

Timely and reliable data management is fundamental for establishing a solid credit risk management framework.

Prometeia's Credit Repository is a state of the art credit risk data repository that supports integrated reporting and the development of rating models. Prometeia's Credit Repository makes it possible to manage all the information required for calculating, verifying and monitoring credit portfolio risks.
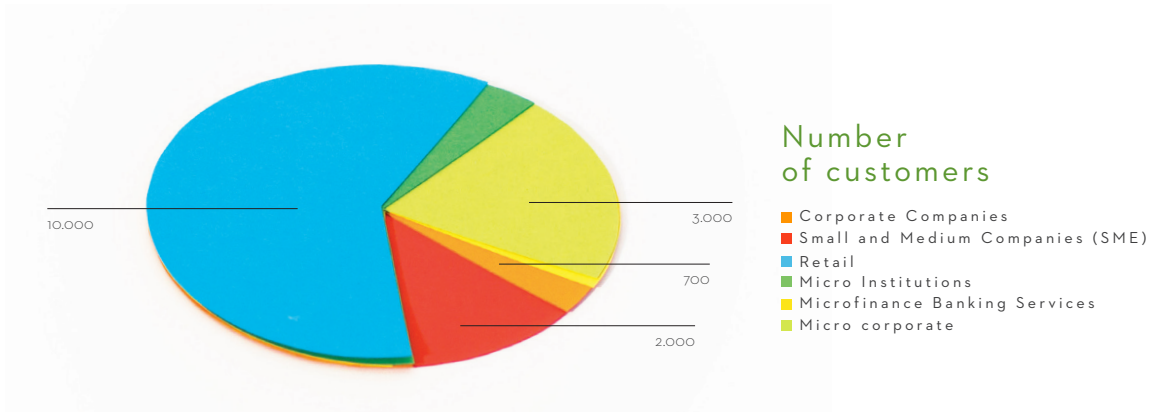
The processed data can be used to support not only the methods of estimation and the subsequent application of rating models, but also the supervisory and Basel compliance reports, the supply of portfolio models, and the ICAAP activation as related to credit and concentration risk.

The system offers the bank powerful tools to define, load, verify, archive and synchronize data, as well as to carry out data quality checks and generate reports.

The Credit Repository is integrated into the product suite used to manage credit risk and interacts automatically with RatingPro for the application of ratings. It manages various types of data with diverse updating frequencies and can interface with the most commonly used data analysis and reporting tools.

Prometeia's Credit Repository enables the structuring and feeding of all relevant databases for integrated regulatory and managerial credit reporting and the development of PD, EAD and LGD models. The solution is fully integrated with the Regulatory & Economic Capital modules and RatingPro.

The Credit Repository DBMS is built upon Prometeia's credit risk relational data model and leverages the native data exchange protocols within the ERMAS environment.

Number of customers

10.000

3.000

700

2.000

- Corporate Companies
- Small and Medium Companies (SME)
- Retail
- Micro Institutions
- Microfinance Banking Services
- Micro corporate

A solution that manages all the information required for calculating, verifying and monitoring credit portfolio risks

MAIN FEATURES

Clear visualization and monitoring of all job statuses and log files

User defined data quality jobs implemented in batch mode or on-demand mode with the results automatically archived in dedicated tables within the database

Effective Quality Control processes enabling the user to organize and implement controls in the SQL language, ensuring optimal data quality and consistency

Unique module for the management of batch reporting in MS Excel

User friendly credit model database created specifically for the management of all credit risk needs

The credit data repository can be easily adapted to the IT infrastructure of each bank and allows a full customization of its relational structure and ETL functionalities. The repository is comprised of three main modules:
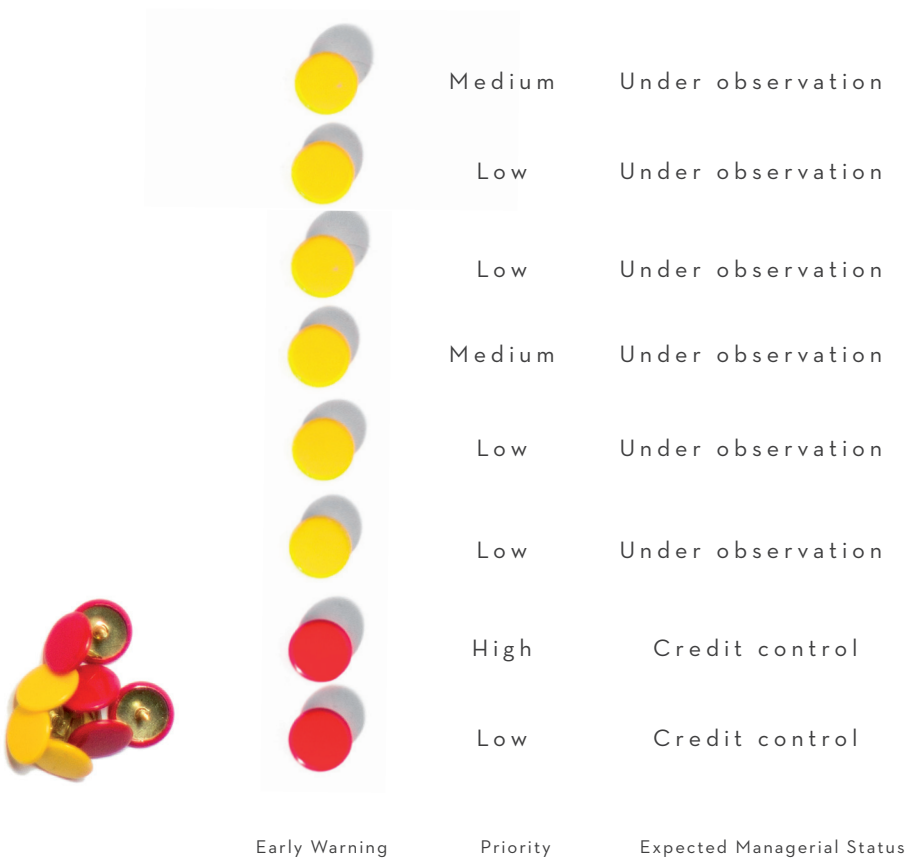
The Loading module facilitates on-demand management of the acquisition of all data inputs introduced to the process

The ETL module allows the user to perform all data management procedures, including management of the data dictionary; creation of database table structure; development of rules for ETL jobs and data organization and transformation; enquiry and modification of the database; and internal data audit

The Batch module manages all processes implemented in the SW application including: Batch Job Manager, Process Management, Process Status and Process Summary

EARLY WARNING

The increase of Non-Performing Loans, that most organizations worldwide are expected to continue to experience, requires the implementation of an effective delinquency management system.

Prometeia's EWSPro solution allows irregular events to be corrected at their first stages. EWSPro is a fully customizable software platform, which provides credit managers a powerful engine to monitor their portfolio. It allows banks to detect difficult situations in a timely manner and to implement sound and efficient remedy plans.

The adoption of Prometeia's state-of-the-art risk analytics improves portfolio credit quality via efficient and flexible strategies. Credit managers can set priorities and implement action plans in order to preserve the customer relationship at the earliest stages and speed up the recovery process for the most critical clients.

Early Warning	Priority	Expected Managerial Status
	Medium	Under observation
	Low	Under observation
	Low	Under observation
	Medium	Under observation
	Low	Under observation
	Low	Under observation
	High	Credit control
	Low	Credit control

Non-Performing Loans must be corrected in their first stages

MAIN FEATURES

Integration with Prometeia's rating engine (RatingPro) for the adoption of behavioral score / rating / early warning models and with Prometeia's Credit Monitoring tool for an effective limit monitoring process

Delivered with a customizable set of mandatory actions / strategies based on the risk categories, priority and segments

Viewing of the early warning indicator and the list of irregular events triggering the monitoring process (at customer and group level) via a traffic light approach

Monitoring of the action plan implementation and refresh of the risk indicators in case of missed resolution or increased risk

Automatic and manual definition of watch lists and allocation of clients and/or portfolios to managers / supervisors

Powerful reporting tool for events, clients and remedy actions, as well as KPI definition for the measurement of the early warning model performance and remedial actions effectiveness

Guided procedure for the defining of priorities in managing the irregular events and remedy actions, with clear identification of roles and responsibilities

Integration with Prometeia's credit origination tool (ECA) for cases where the remedy actions require product / collateral updating

Where we are 📍

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