

Credit Risk

Graphyte is the first AI-powered automation solution to detect signals of risk for both default and crime

Financial health assessments essential for risk management typically rely on financial information, such as credit ratings. But these reports tend to be slow to respond to negative events, such as bankruptcies. This is particularly true for the over 250,000 small and medium enterprises with less than \$20 million in revenue. Financial reporting for smaller businesses—when it’s available—is often delayed, based on outdated information, and is not forward-looking. Even for public companies, there is little or no financial information available between reporting periods. Customer sentiment data has been used to help fill the gaps, but tends to be poorly correlated to default risk and therefore unreliable, misleading, and just flat-out wrong.

A fully featured adverse media solution—with comprehensive open source data access and well-designed machine learning models and risk typologies—provides early warnings of financial stress as well as for crime. News, sanctions, and regulatory information, when analyzed in concert in real time, provide a more complete and timely picture of a client or account applicant showing signs of potential signs of trouble than with financial reporting alone, and can better anticipate default and bankruptcy.

Quantifind’s risk typologies are designed to target a wide range of concerning characteristics, providing the latest information about aspects of organizations and their executives that are off the radar of other risk monitoring methods. They include detection of fraud, money laundering, and other financial crimes on the part of executives that are clear signs of organizational credit risk. Graphyte is the first solution to provide a means to detect, investigate, and report on real-time signals of both default risk and crime risk, providing insights based on a wide range of factors beyond dated financial performance and regulatory events.

Applications

- Loan portfolio risk profiling
- Merchant services
- Small business line of credit
- Third party risk detection

Granular risk typologies enable timely detection and ranking of relevant risk signals for financial health and crime, for both organizations and individuals.

Company Health	Financial Crime	People	Other
Bankruptcy	Antitrust	Management Changes	Ratings Downgrade
Capital Structure	Healthcare Fraud	Executive Churn	Coronavirus*
Contraction	Financial Fraud	Executive Arrested*	Legal Proceedings
Negative Performance	Corruption	Executive Appointed*	Merger and Acquisition
Inability to repay	Insider Threat		Contract Awarded
IPO Withdrawal	Cybercrime		Business Ventures
Labor Issues			Ratings Upgrade
Bad Loans			
Layoffs			
Consumer Complaints			
Growth			
Hiring			

- High Default Risk
- Medium Default Risk
- Neutral Default Risk
- Low Default Risk