Business Intelligence & Risk Solutions

CRISIL
An S&P Global Company

ICON – Risk Assessment Model (RAM)

Automating credit assessment and enhancing operational efficiency

ICON - Risk Assessment Module (RAM)

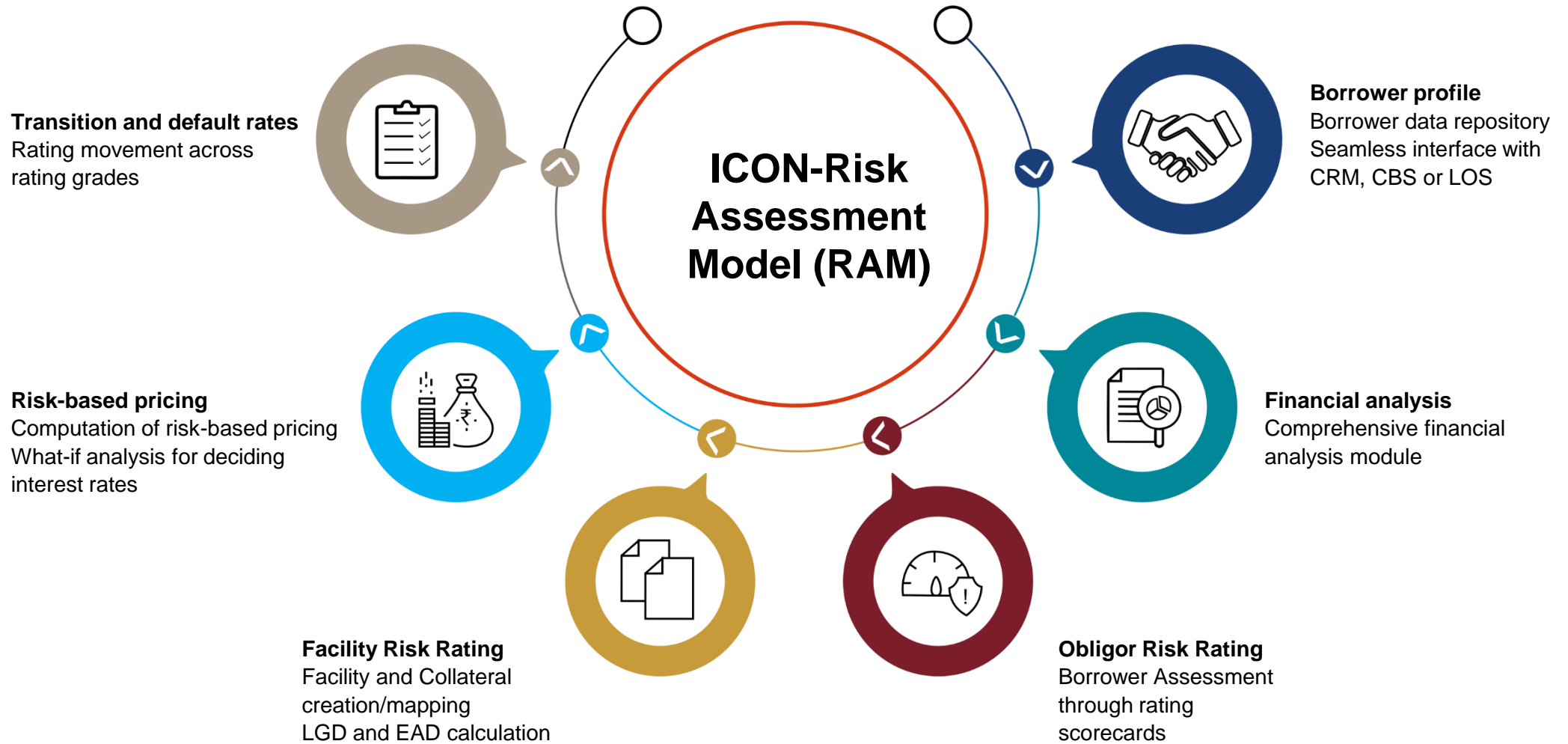empowers smarter lending decisions with powerful credit assessment modules:

Built using state of the art technology, ICON provides a modular, flexible engine to automate credit decisions
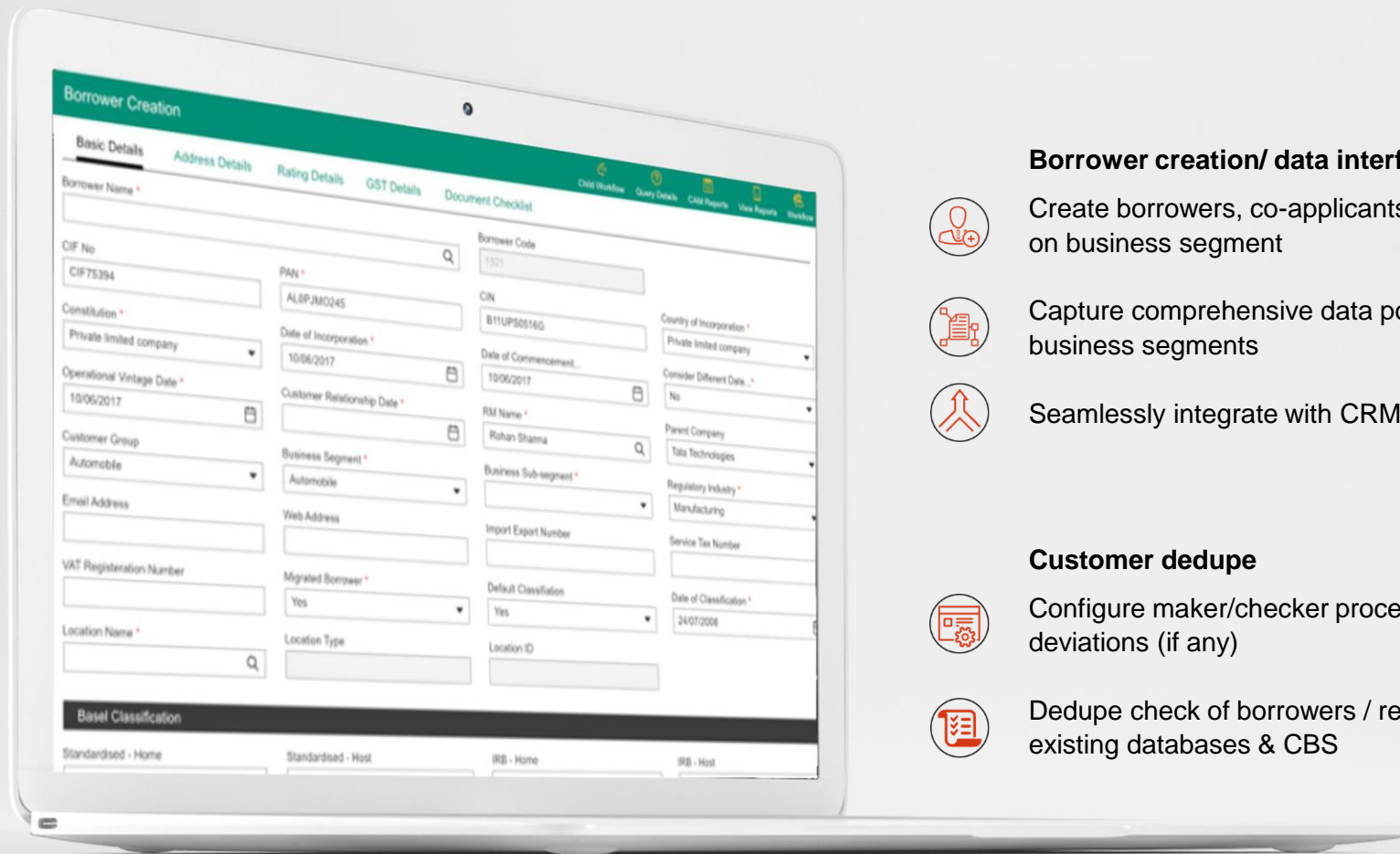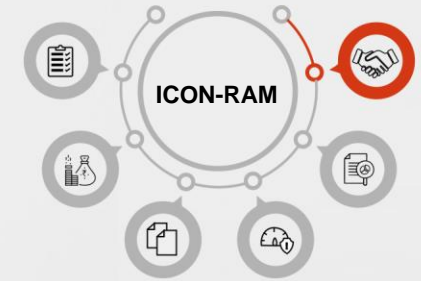
Leverage market data to sharpen credit assessment and get deeper insights into your portfolio

The
Modules

Transition and default rates
Rating movement across
rating grades

Risk-based pricing
Computation of risk-based pricing
What-if analysis for deciding
interest rates

Facility Risk Rating
Facility and Collateral
creation/mapping
LGD and EAD calculation

**ICON-Risk
Assessment
Model (RAM)**

Borrower profile
Borrower data repository
Seamless interface with
CRM, CBS or LOS

Financial analysis
Comprehensive financial
analysis module

Obligor Risk Rating
Borrower Assessment
through rating
scorecards

Flexible borrower creation module

A primary repository of borrower data


ICON-RAM

Borrower creation/ data interface

Create borrowers, co-applicants and guarantors based on business segment

Capture comprehensive data points for corporate business segments

Seamlessly integrate with CRM & CBS

Customer dedupe

Configure maker/checker process & business rules for deviations (if any)

Dedupe check of borrowers / related entities with existing databases & CBS

Comprehensive financial analysis module

Enabling analytics in bank-specific templates

ICON-RAM
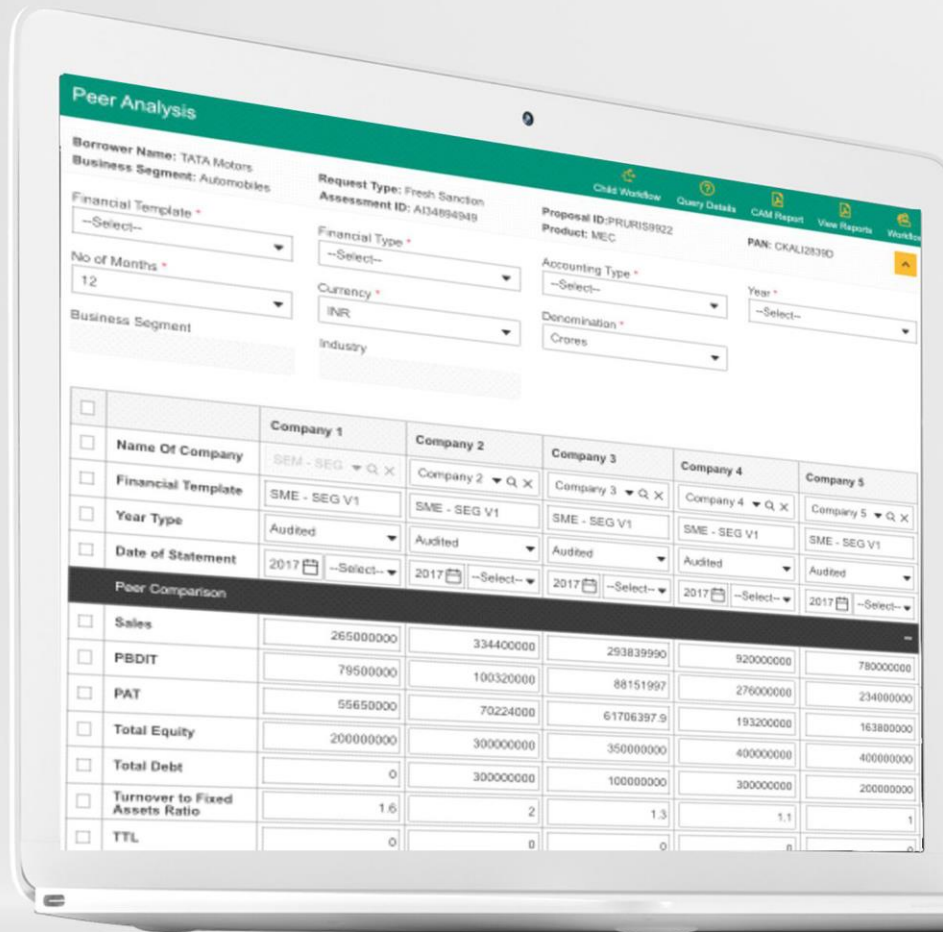
Creating chart of accounts

Front-end configuration of financial templates and financial ratios applicable to different business segments to compute profitability, operating efficiency, etc.

Maintenance of financials at borrower level

Peer comparison across borrowers types

Maintenance of library of financial parameters, which can be utilised for further financial analysis and ORR

Financial projection scenarios

Perform financial projections, e.g., best case, worst case, ad-hoc analyses

Forecast borrower ratings for all projected years as per projected financials

Assess the reasonability of projections, i.e., determine if the view has been overly optimistic or pessimistic, or has remained neutral

Two dimensional rating design

Borrower Risk and Facility Risk

ICON-RAM

Borrower Assessment through Scorecards

Determine probability of default (PD) as a measure of obligor risk

Front end based powerful scorecard configurator to host custom scorecards

Define qualitative as well as quantitative parameters

Capable of hosting S&P's scorecards

Evaluating Facility Risk

Determine loss given default (LGD) as a measure of facility risk

Collateral sharing across borrowers, enabling the same collateral to be used across various projects

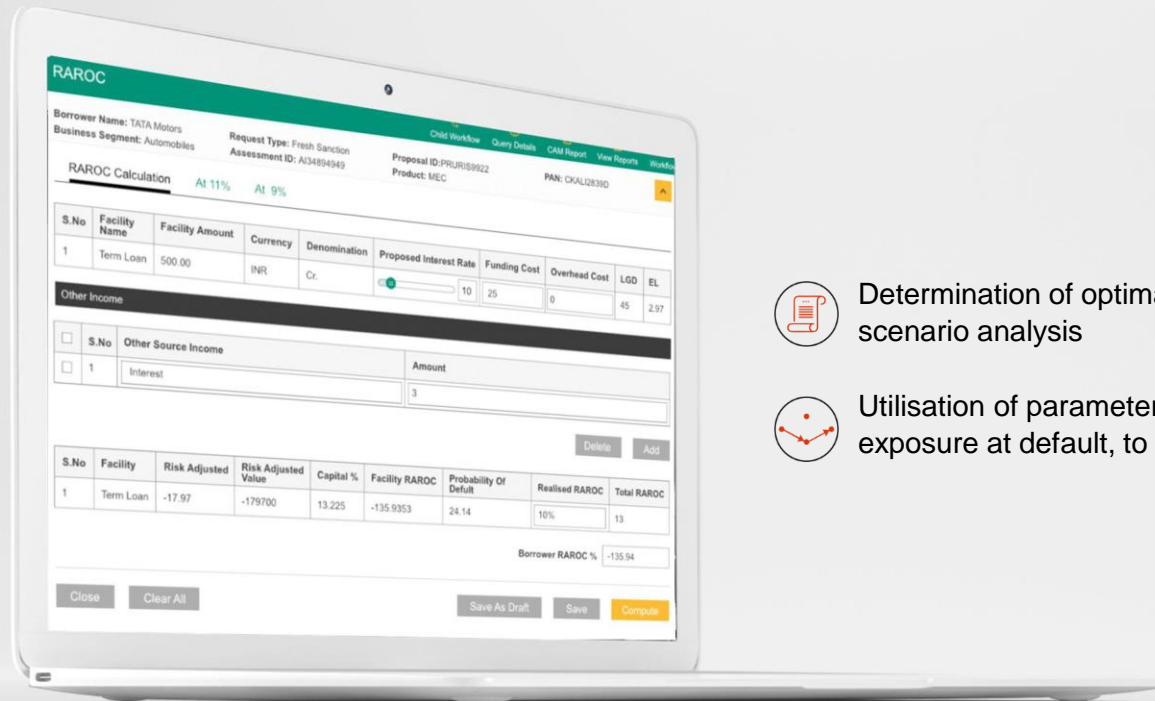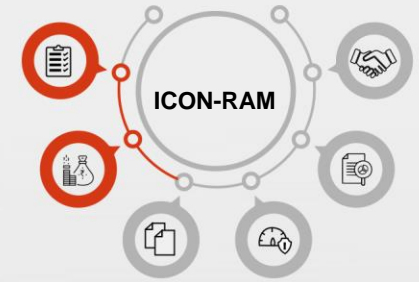Define sub-limits & interchangeability of limits

Host S&P's LGD scorecards

Risk-adjusted return on capital

to arrive at best pricing

ICON-RAM

RAROC

Borrower Name: TATA Motors
Business Segment: Automobiles

Request Type: Fresh Sanction
Assessment ID: AI34894949

Proposal ID:PRURIS9922
Product: MEC

PAN: CKALI2839D

Child Workflow   Query Details   CAM Report   View Reports   Workflo

RAROC Calculation   At 11%   At 9%

S.No	Facility Name	Facility Amount	Currency	Denomination	Proposed Interest Rate	Funding Cost	Overhead Cost	LGD	EL
1	Term Loan	500.00	INR	Cr.	10	25	0	45	2.97

Other Income

	S.No	Other Source Income	Amount
☐	1	Interest	3

Delete   Add

S.No	Facility	Risk Adjusted	Risk Adjusted Value	Capital %	Facility RAROC	Probability Of Defult	Realised RAROC	Total RAROC
1	Term Loan	-17.97	-179700	13.225	-135.9353	24.14	10%	13

Borrower RAROC %   -135.94

Close   Clear All   Save As Draft   Save   Compute

- Determination of optimal pricing strategy through what-if scenario analysis

- Utilisation of parameters such as funding cost and exposure at default, to derive the optimal pricing strategy

Transition matrix

to derive PD values

Generation of bank/ FI specific PD values

Utilisation of transition matrix to generate bank/ FI specific default rates

Maintenance of transition matrices across time periods to determine obligor risk rating model performance

Significant functional enhancements
to sharpen credit assessment

Scorecard configuration and hosting

State-of-the-art hosting engine to allow scorecard creation and roll-out through a rich GUI

Flexible financial spreading module

Configure your own spreads through an intuitive GUI; interface with S&P Capital IQ for automated spreading

Peer comparison

Ability to compare performance against industry and defined peers

Financial projections

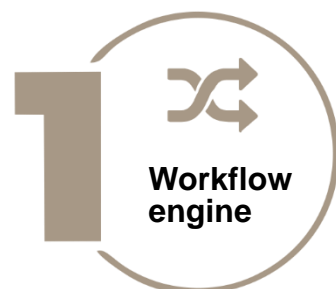Use of projections to compare best case, worst case & ad-hoc scenarios

What-if analysis

RAROC module for building and comparing multiple pricing scenarios to make optimal pricing decision

Flexible Workflow

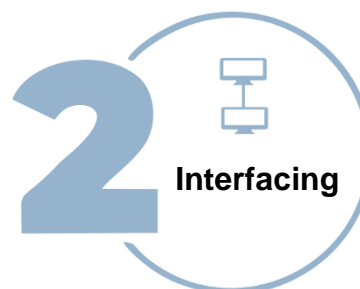Automate approval processes and maintain a detailed audit trail.
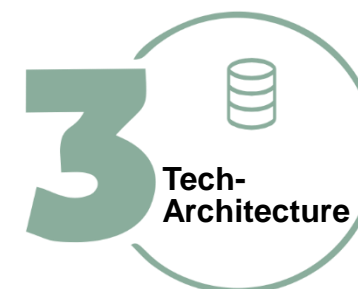
State of the art technology

1 **Workflow engine**

Front-end configuration of workflows using a process modeler

Supported by a robust Java based process engine

Compliant with BPMN 2.0 standards

2 **Interfacing**

Faster integration with external systems e.g. LOS, CBS, credit bureaus etc. using ESBs & APIs

3 **Tech-Architecture**

Compatibility with standard OS (Windows/Linux), app servers (Jboss, Weblogic), and database (Oracle, MYSQL)

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

About CRISIL Business Intelligence & Risk Solutions (BIRS)

CRISIL Business Intelligence & Risk Solutions (BIRS) is uniquely positioned to help banks and financial institutions in their data and analytics needs. Our deep domain knowledge of processes and best practices across the entire BFSI spectrum enables us to offer innovative solutions that aid decision making across Corporate & Investment Banking, Commercial & Retail Banking, Cards, Asset Management and Insurance domains. Our proprietary technology platform combined with deep business domain knowledge helps us deliver best in class solutions across all the key functional areas including Risk Management, Sales & Marketing, Financial Control & Reporting, Regulatory Compliance and Governance. The solutions are designed to provide advanced insights into data with an emphasis on actionable intelligence, ensuring you take data driven decisions to achieve your business objectives. To know more about what we do please visit us at www.crisil.com/BIRS.

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